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# BANKING AND PRICES

IN

# CHINA.

BY J. EDKINS, D.D.

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## PREFACE.

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This volume is the third of a series of works prepared by the late J. Edkins, D.D., for the Imperial Maritime Customs; the two earlier works being "Chinese Currency" (1901) and "The Revenue and Taxation of the Chinese Empire" (1903). The veteran sinologue was engaged on this work at the time of his death on the 23rd April, 1905, and it was left incomplete, literally in the middle of a sentence. Though incomplete it is now given to the public on account of the historical information of great value to be found in its pages.

SHANGHAI, August, 1905.



# BANKING AND PRICES IN CHINA.

## FIRST PART.—BANKING IN CHINA.

### *Origin of Bank Forms.*

Bank forms were invented by the Chinese. In banking operations the Chinese, by the use of printed and written notes representing money, have been the teachers of the Europeans. Venetian merchants learned the use of bank forms from the Chinese and taught the system to the French, English, and German merchants. The same thing has happened in the Customs' service. Many of the forms now in use in the Chinese Customs, under foreign control, were employed in the native Custom Houses for generations past. Banking consists in receiving money on deposit, in lending money, and in the dexterous use of paper forms representing money, whether principal or interest.

Paper making was a Greek invention, but the Chinese were the first to show how it might be used as money. Its employment in all countries in trade followed that of gold, silver, and copper. Agriculture and marketing cannot be carried on without money. The use of a paper representative of money led to the development in China of the banking system. The Chinese treasurer in any province when sending money to Peking, entrusts it to bankers, 票號 p'ian hau, who promise to convey it to the capital by a certain date. These bankers are almost all Shansi men. There are about twenty such firms in Shanghai. In conveying money for the government from Sz-chwen to Peking they receive a fee amounting to three per cent. on the amount. The same bankers lend money to exchange banks at three taels a month interest for 1,000 taels in Shanghai. But the interest varies incessantly according as silver is abundant or scarce. This is called *uni p'an* 內盤 inner price.

山西票號



At Shanghai the cash shop bankers, 匯兌錢莊 hwei tui ch'ien chwang, lend money to traders for five taels a month for 1,000 taels or about six taels a year for 100 taels. This is called 外盤 wai p'an, outer price. These terms correspond in great part to our terms wholesale and retail. For example, money can be borrowed by cash exchangers from Shansi bankers for Taels 3.6 per annum for 100 taels. Ordinary farmers and shopkeepers, if they borrow from the cash exchangers, have to pay six taels a year for a hundred taels.

If money is needed at Jehol, for instance, to pay troops, a sum of fifteen thousand taels of silver may be sent for the Foochow treasurer by bankers to Tientsin. From Jehol a wei yuen is sent, who receives this sum from banks at Tientsin and conveys it with a military escort to Jehol.

The Chinese government levies taxes on banks in the form of licenses.

Transmission banks petition for a permit to trade and pay 1,000 taels a year as a bank tax.

Cash shops petition for a permit to trade and pay Taels 400 or Taels 200, according to circumstances, each year as a cash shop tax.—*Chung-wai*, June 29th, 1899.

#### \* Bank Notes of Various Kinds issued by Private Firms.

✓ Bank notes are issued by shopkeepers, and there are also ✓ official notes. Notes for local circulation are issued in all busy cities. The shops which issue them add banking to their other business to increase their annual profits. The Manchu General governing Moukden province (*Chung-wai*, November 16th, 1899) stated in a memorial that several shops in Moukden which issued notes were several years previously obliged to close their doors. There was a deficiency of copper cash and of notes at that time in Moukden, causing a run on the firms issuing ✓ notes, through the notes having declined in value as the cash rose. This happened more than ten years

ago. After the Japanese war in 1894 silver coins were made to replenish the currency, and at the same time official notes were issued representing amounts of cash. It was, however, found to be impossible to get the people to take the silver cash at their value or the notes representing amounts of cash unless the market was also supplied with a sufficient number of copper cash. The smallest coins used were of the weight 7.2 candareens and 3.6 candareens. In the market, difficulty resulted. Poor persons hawking goods for sale suffered from the reluctance of the people to take the silver coins at their value and pay for goods in cash. Paper money declined in price and small silver coins were at a discount at the same time. Copper cash rose in value, because they were scarce.

A bank is 銀號 yin hau or 銀行 yin hang. A bank note is yin p'iao 銀票. A cash shop is 錢舖 ts'ien p'u or ts'ien chwang. A run on a bank caused by the fear that the bank may be closed is described by the word chi, to press, as in the phrase 擠錢舖 chi ch'ien p'u, causing pressure on cash shops.

When 衆人擁擠 a large number of persons hasten to a bank to change notes and the bank ceases to transact business, this is described as the overturning of the bank, 倒錢舖 tau ts'ien p'u, or causing the shop to fail.

A piao 票 p'iao is a bill and is also a bulla. A Pope's bull is the same word. Another identical word differently written is 符 fu, a Taoist charm. As a verb piao means to represent clearly. It also has the implied meaning corresponding to 蕪 fu. Half of an impressed seal is on the bill and half remains on the docket in the book of the firm which issued it.

Remittance bills, 匯票 hwei p'iao, bill of exchange, 銀票 yin p'iao, silver tael notes.

鈔票 ch'ao p'iao, dollar notes. This name is so applied in Shanghai.

When money is lent the borrower writes a statement in the form of an "I owe you" security, 右價證券 yeu kia cheng

ch'uen. This is a Japanese term. The Chinese is 借票 tsiê p'iau. In Hupei the name 臺 t'ai p'ian is in use for cash notes.

Goods, 商貨 shang hwo. 發 fa p'iau is an invoice of goods. An order to land goods from a boat or ship or go-down is 提貨單 t'i hwo tan. A permit to unlade cargo is 卸載單 hsiê tsai tan. When money is borrowed the phrase 揭欠 kiê ch'ien, borrow money, is not uncommon. For this 1 借 kiê tsie is also used. Kiê is to lift, open out the hand. Promissory note, 1 單 kiê tan.

Discount is allowed by banks on bills of exchange. This is called 折准揭票 chê chun kiê p'ian. Borrowed capital is 揭項 kiê hiang, borrow a sum. To receive on deposit from time to time is expressed by the words 隨時附貯 sui shī fu chu. To reveal the fault of any one in a placard is 揭帖 kiê tiê.

Cheque, 支票 chih p'iau. This the Japanese call ya p'ian. 十 Silver bank notes, 銀票, known as yin p'ian, are bank drafts payable in silver. The name ch'au p'ian is also used of government money orders called 鈔票 ch'au p'ian and of tax gatherer's orders on which is stated the amount of land tax requiring to be paid by the farmer. These are also called 串鈔. Tonnage dues are called 船鈔 ch'wen ch'au, ship dues.

A cash note is 錢票 ts'ien p'iau, a bank note payable in cash. A pawn ticket is 當票 tang p'iau.

The counterfoil of a note or cheque is 票根 p'iau ken, or p'iau ti tsi 票底子.

A sum of silver, gold or cash, is yin hiang 金項 kin 銀欸 k'wan. K'wan is to cut off. As a substantive it is a piece cut off. Hiang is to hang down. The weight on a steelyard originated the use of this word for a sum of money.

The character 折 chê signifies exchange, barter. Properly this word means to break. To change money into rations is 1 餉 chī hiang. 折銀 chī yin is to calculate a sum of silver in place of something else. 一 抽 chī ch'eu is to levy a tax in due proportion.

*Profits of Banking through Use of Notes.*

\* The profits of banking follow directly from the use of paper notes. There is a reserve usually of two-thirds in Chinese banks, and bank notes are printed at a trifling cost. With a sufficient reserve of capital the banker can safely issue a large number of notes, on each of which he charges interest. A banker could make no profit if he were obliged to issue only as many notes as are representative of the gold and silver in his treasury. If he is in good credit he can issue notes on loan with a reserve of one-fourth or fifth of the money represented by the notes he has in circulation. When a bank employs the capital of others, in addition to its own capital, it can make profit. The number of notes is limited by British law, in order to guard against the possibility of bank failure.

The use of bank notes may be traced to the ancient seal. As applied to bank notes several seals are impressed on a small sheet of paper to give it validity. In English banks at present a seal is impressed. The same is done in Chinese banks, and the Chinese banks probably were first to introduce this custom into commerce. In an English bank credit notes, circular notes, draft forms on London are in use. The Venetian system of banking spread into England. Many Venetian banks were established in Lombard Street, which received its name from them. Shakespeare's merchant was a merchant of Venice. The politeness of Italian manners led him to make the *Two Gentlemen of Verona* the title of a play. Italian merchants in the middle ages travelled as far as China. The book of Sir Marco Polo had a very large circulation. Marco's two uncles were wealthy merchants. Either they or other merchants who went to China or to Tartary, where the Grand Khan of the Mongols often held his court, took back specimens of Chinese paper money. It had been employed even in the Tang dynasty, but was well established in use in the Sung dynasty, A.D. 960 to A.D. 1278.

*A Native Bank Note.*

光緒

Year  
month  
and  
day  
of the  
reign  
of  
Kwang sü.

年

月

日

源通官銀號

Yuen  
Tung  
official  
bank.計  
規元

規

Sycee  
silver  
at 98  
for 100.

叁拾叁兩

Thirty  
three  
taels.

憑票發薪水

第一號

No. 1.

On seeing this note pay  
the amount of wages men-  
tioned on the note.



**Stamps on Chinese Bank Notes.**

A native bank note has on it usually three stamps. One stamp, *tui chang t'u shu*, is impressed in part on the butt and in part on the note. The descriptive stamp is often impressed on the right hand to indicate the kind of note. In the instance given it is a salary note. The stamp to prevent fraud is impressed on the figures, stating the amount of money represented by the note. The date is written above on the left hand and the name of the bank below on the left hand.

As silver is weighed by different scales, the scale adopted in this case is stated. The two per cent. discount scale is called 98, and written in the middle column towards the top in *matsi* characters from left to right, thus, 貳三.

The stamp which is partly impressed on the docket is the 騎縫圖書 *chi feng tu shu* or 對賬圖書 *tui chang t'u shu*. What is called a *fang pei kai sha mu* 防備改數目 seal is impressed on the figures to prevent their being altered after their being once written on the note.

There are three or four stamps on a note. Each bank adds one or two as shop marks, which aid the banker in assuring himself of the genuineness of the note when presented.

**Use of Hwei P'iau.**

Bank notes are sent to Shanghai with bales of silk to pay the duty on arrival. Silk arrives to the extent of 30,000 bales and the silver they represent is taels 200,000. This example is taken from a petition asking that a difference of twenty per cent. may be allowed in the duty on silk when it has to be manipulated afresh at Shanghai. Traders are put to expence and should therefore pay less duty. Such is the prayer of the petition.

**Dollar Notes.**

While still at Woochang, Viceroy Chang authorized the coinage board of Hupei to order from Japan one million dollar notes. The expence of manufacture is twenty-one cash

each. The entire cost was \$21,000. This was the first attempt of the Viceroy at bank note circulation with the skill of Japan printers to help the dollar currency.

When Viceroy Chang ordered notes to be engraved by Chinese printers, their work failed to satisfy him. The notes were too easily imitated

### *Cash Shops.*

In Chinkiang the two shops named 晉源 and 鎮源 have a large capital, amounting to several ten thousands of taels. At present (*Chung-wai*, June 22nd, 1899) a Taotai is opening a new cash shop with a capital of taels 300,000 under the name 乾元裕 *chien yuen yü bank*. It will be opened in about a month's time.

### *Discount.*

The use of the word *shui* 水 in money transactions is peculiar. An instance occurs at auctions. In January, 1899, says a petitioner, I bought Canton oranges for two Haikwan taels a picul. A comprador was bidding afterwards for a lot of the same and paid in Shanghai taels at ninety-eight discount. The profit he made amounted to two and a half mace nearly. This is called 水色 *shui sé*, because the value flows like water from one weighing scale to another. Discount is 扣水 *k'eu shui*. It is a reduction made on account of the use of a different scale.

Water flows without end, increasing in width and depth in any large river. So it is with the profit of money. If a dollar which weighs six mace, four candareens is in a mercantile transaction exchanged for a dollar weighing seven mace and two candareens, four candareens must be given in addition. This is 貼水四分 *tiê shui sī fen*. The Chinese call this *tiê shui* or 伸水 *shen shui*, and *tiê* means "add to," while *shen* means "stretch to." The phrase 升水 *sheng*, "rise," is also used. If the Chinese says 伸水 *shen shui* it is the opposite of 不足 *pu tsu*, "not sufficient," or of 縮 *so*, "deficient."

The word 色 *sèh* refers to the purity more or less of the silver. There are several equivalent expressions in use. Thus 伸水 *shen shui* is 生息 *sheng si*, make a profit, or 加平 *kia ping*, make an addition by using a different scale. The phrase 扣平 *k'ow-ping* means to deduct a part of a payment for fairness. *P'ing* is fair, even.

On account of payment before the usual time a discount of profit is allowed, 扣除利息 *k'ow ch'iu li si*. A discount from the usual price is *k'ow kia* 扣價. When money is lent the profit is called 利息 *li si*. The Chinese say 扣水 *k'ow shui*, to express the discount allowed for payment made before the proper time.

The word 色 *sè*, colour, alludes to the lack of whiteness in the colour of silver. Alloy of copper or zinc darkens it and its presence lowers the market price of the metal. A discount is any deduction made by a merchant, who usually allows a credit of three months, if ready money is paid to him.

### *Bankers' Discount.*

Bankers' discount is an allowance made at the time of borrowing for advanced repayment. It is also the amount of interest paid by the borrower and deducted at the commencement of the credit from the sum borrowed.

When the gold and silver held by a bank is very large in amount a low discount is charged to borrowers. It was found possible when the Bank of England held more than twenty-five million pounds to lower the discount to two per cent. This was about 1853, when gold from Australia and California became very abundant. The rate on exchequer bills\* was one and a half per cent., and consols† were refunded at three per

\* Exchequer bills are promissory bills issued from the English exchequer. They are a species of paper money issued under the authority of the government and bearing interest.

† Consols in England are three per cent. annuities granted at different times in return for money lent to the government. They were at last consolidated into one stock or fund. They constitute nearly half the national debt, and their rise or fall is an index of the state of stocks in the London market.

cent. These changes were made by Mr. Gladstone with the approval of Parliament. When the amount of the precious metals held by a bank is very large, it is necessary to lower interest in order to prevent money lying idle in the bank treasury. The national debt of England in 1883 was 713 millions of pounds sterling. In 1899 it was £613,000,000. It will in 1919 be nearly 200 millions less than this amount. Since in 1816 the debt was more than 900,000,000, and in 1919 it will be about £400,000,000, a little more than one-half of that amount will have been paid off in a century. Money is very much cheaper than it was a century ago. The addition of large amounts of gold and silver to the world's stock has greatly cheapened money and lowered discount to two per cent.

*Antiquity of Bills of Exchange and other forms.*

The use of bills of exchange is as old as the art of printing, and the needs of a great empire led to the riches of the trading class. Italian merchants learned in China the art of book-keeping as combined with banking and printing. Probably China had as much to do with the origin of European bills of exchange as of the printing of books in Europe. China was several centuries before Europe in printing books, and it may be concluded also in the art of banking. In China when money had to be sent from any place to the capital city, bankers were ready to see that it was safely conveyed. Before the age of silver currency in the Tang dynasty the hwei p'iau\* came into use as a bill of credit. It was in the Wu Tai and Sung dynasty periods that the general use of printed books was attended by that of blank forms among traders. A shop-keeper sends with goods bought from him a fa p'iau,† containing an invoice or list of goods supplied to a customer. A boat master arriving at his desti-

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\* 匯票  
† 發票

nation with freight takes with him to the trader a *ti hwo tan*.\* There is also the manifest† or cargo certificate stating all the goods brought by a vessel. The merchant sends an assistant to the boat to bring goods away. His authority is a *hiê tsai tan* or delivery order.‡

When a tax collector proceeds to the country to receive the amount of taxes he takes with him a *ch'wen p'iau*,§ string ticket. This alludes to the strings of copper cash which are paid as tax dues. It is also called *liang p'iau*, grain tax bill.

### *Institution of a Government Bank at Tientsin.*

The Chihli Viceroy, Yuen Shi-k'ai, at the close of the year 1902, in a memorial proposed to the sovereigns of China the establishment of a national bank at Tientsin. All the foreign nations have a national bank with power to issue notes by which the government and the traders are alike benefited. When the viceroy was in Peking not long before he conferred with Yung Chung-t'ang and President Lu Chwen-lin on the importance of the institution of a government bank. They fully agreed with his views. On his return to Tientsin he made inquiries on the best mode of procedure. The principles on which the bank must be founded need to be broad and solid and their scope comprehensive. He decided that the bank manager should be Man Ch'ing-fan, hitherto in charge of the Shanghai arsenal. The new bank will be useful in the conveyance of public funds from one province to another and in the extension of trade with foreign countries.

A few days later|| Viceroy Yuen in a despatch to Expectant Taotai Mau Ch'ing-fan in accordance with an edict directing that he should leave the arsenal near Shanghai, of which he

\* *Ti-hwo-tan* 提貨單.

† *Tsang-kow-tan* 鹽口單.

‡ *Hiê-tsai-tan* 卸載單.

§ *Chwen-piau* 串票.

|| *Chung-wai-pau*, January 9th, 1903.



was manager, ordered him to proceed at once to Tientsin to control the business of the bank. The establishment of the bank being still not completed he was on his arrival installed by the viceroy as manager, and he was in this position to apply himself to the removal of the financial disturbance in the Tientsin market. This disturbance arose from the high price locally of current coin. The working of the bank was delayed for want of a sagacious manager.

***Edict on National Currency and Uniform Coinage.***

The institution of a government bank at Tientsin has been followed by an edict of April 22nd, 1903. The Emperor says the prosperity of commerce and the successful management of money matters are essential to a well ordered government. The present lack of money involves in difficulty both the State and the mercantile class. Some plan for improving the condition of the money market must be thought out. Prince Ch'ing and Chü Hung-chi (the president of the Foreign Office) are appointed to confer with the Board of Revenue on this matter. They are directed to aim at producing a uniform currency for all the provinces. In Peking there will be a head mint to issue silver coins for the empire, weighing a tael and parts of a tael. Taxes will be paid and duties levied in these new coins to be supplied from Peking. Arrangements will be made to bring to an end the discount on silver coins which is now a common grievance. The duty is assigned to this new Board of Commissioners to work out a scheme for the national currency, free from all those faults which now entail so much inconvenience on the public.

Since this edict was issued it has been stated\* that Peking rather than Tientsin is regarded by the government as the proper place in which to establish a government bank.

\* *Sin-uen*, April 26th, 1903.

***Bank of England.***

The Polytechnic Essays for 1890\* contain remarks by a Chinese writer on banking. He says that banks are intended to aid in setting money in circulation. Capitalists unite to form a bank. In England, the Bank of England is established in London. It is a government institution under the control of Parliament. Chinese banking has been successful because the country is rich in agriculture, fisheries, domestic animals, and in the extent of her internal trade and navigation. Interest is high, because money is wanted to maintain these industries, and silver is scarce. In England money is plentiful and interest is low. The revenue and expenditure of England amount to about a hundred and forty million pounds sterling. The rapid increase in this amount is caused by the additions annually made of fresh gold and silver dug from the bowels of the earth. Large sums are taken to the bank of England to be exchanged for sovereigns, half sovereigns, and five-pound and ten-pound notes. These notes pass at their face value, because of the credit of the government.

***The Bank of England supplies Silver and Gold Coin.***

The London mint is guided in the manufacture of a new supply of each coin by the Bank of England, because it is the bank of banks and the bank of government departments, and therefore has the best opportunities of judging what more coin is needed.

***Other Banks Help in Circulating Coin.***

All the London bankers draw silver coin from the Bank of England, and country bankers do the same. When they find their stock running down, they replenish their supply from the Bank of England in London or from its branches in other cities. In any large town shop-keepers, butchers, brewers, cattle

\* Polytechnic Essays, 1890, summer number, page 13.

dealers, or farmers, may deposit silver coin when they have too much of it for present use. Banks supply silver coin to manufacturers to pay wages. Bankers in any locality assist one another by buying or selling silver coin as it may be required. When there is a superfluity of coin it is returned to the Bank of England or to a branch bank of England. A small charge is made of about five shillings for a hundred pounds to cover expenses and risk. The coin is examined to detect counterfeit coins. Worn coins are sent to the mint for recoinage, and in general the bank acts as agent for the mint.

Every person may, if he wishes, take gold to the mint to be coined in the form of new sovereigns or half sovereigns. Scarcely anyone, however, except the Bank of England, makes use of this privilege. When gold is received at £3.17.10 an ounce at the mint, the amount given out in gold coin is £3.17.9. The mint, according to the Bank Charter Act, reserves  $1\frac{1}{2}$ d. on every ounce for expenses of melting, assaying, etc. The expense of converting gold bullion into coin is about a quarter per cent. or more accurately 0.2828.

The Bank of England needs to keep large stocks of gold coin and uncoined gold to meet the demands of the issue department\* and of the bankers of London and the country. When the national bank finds its stock of coin running low it can convert uncoined gold into coin without expense and without loss of interest; persons possessing large stocks of gold send it to the bank to weigh, pack, and keep it in store. This is done at a low price by the bank. The bank acts the part of intermediary agent between the individual and the mint.

The government banks in Shanghai and Tientsin will be able in course of time to discharge a similar service for traders who desire to store gold and silver, weigh it, assay it, and send it to a mint for conversion into coin.

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\*See Money and the Mechanism of Exchange, by W. Stanley Jevons, F.R.S. 4th Edition, 1878.

*Appointment of a Money Market Office in Tientsin,  
P'ing-shi-kü.*

*Chung-wai*, November 28th, 1902.—Statement of measures taken to restore to Tientsin an equable currency.

The low value of eight hundred taels has been lately assigned to Shanghai goods worth a thousand taels. The desire to find means of correcting this serious inconvenience arising from the lack of silver in Tientsin, induced the manager of the appraisement office to confer with the manager of the money market office recently appointed to find means of restoring Tientsin trade to its former prosperity. Su Kia-ku was selected by Viceroy Yuen to manage the ping shī chü\* and was authorised to make use of two million taels of official funds in the service of this new office. He has chosen six men accustomed to the work of the Shansi banks to act as clerks under his direction, and he has advanced two hundred thousand taels to the foreign cloth guild at five or six per cent. interest.

The Tientsin correspondent reports the interview and says it was stated that the Chinese and foreign banks and also the cash shops should agree in one common policy, placing confidence in each other for the benefit of all. Thus money will pass freely from one to another. Half the cash shops are almost destitute of capital. There is very little silver in Tientsin. Instead of silver payment orders on other forms are in circulation. These orders pass from one hand to another while traders are waiting till silver arrives. Credit is shaken by lack of the precious metal. What is needed at present is that the manager of the P'ing shī office should request the city magistrate to authorize an inquiry by the bank guild and the cash shop guild, acting by their respective managers into the credit of the cash shops generally and the amount of their capital. A list is to be made of the cash shop proprietors arranged according to their wealth. Also securities must be

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\*平市局.

obtained for each. These records of information must be delivered to the city magistrate, and also to the money market office to be preserved by them. For any errors, the securities will be made responsible. Should the banks not consent to act in accordance with the request of the money market office, the Viceroy must be asked to report the circumstances to the Emperor, or as an alternative he may direct the Customs' superintendent and commissioner to be sureties for the money market office, so that its bills of exchange or notes representing silver may circulate freely. If cash shops need silver they may obtain it either from banks or from the money market office speaking for them, or they may obtain silver through the money market office becoming security for them. The market will thus become tranquillized. When the evils referred to are removed the cash shop guild may undertake the collection of illegal cash and melt them into copper to sell to pay expenses. Dollars and sycee silver will cease to be subject to sudden change, and silver will recover its normal price. Lu Tau-tai agreed to this view and gave consent to the action of the appraisement office on this basis.

#### *Cheques are Money.*

Paper notes are money. If I pay a Customs' bank cheque to the Hongkong Bank, it is as good as money. If I pay a Chungking bank order to a Shanghai native bank, it is as good as money. They will pay me the money in the form of silver if needful. There is no need to send the silver to Ichang or Hankow. On presenting the order at Hankow or Ichang the money will be paid. An entry in the books of the bank is made, the sum is debited to the Chungking account. If Mr. A. goes to Nan-chang he can buy from a native bank in Shanghai a set of notes duly stamped which will be honoured at Nan-chang by the bank there with which the Shanghai bank is in partnership. A traveller does not need to carry



the silver with him. The notes are capable of being circulated at each city on the way. Should they not be received at any one city through the want of a partnership connection they will be received in another, where the books are kept which enable the local banker to pay the amount represented without loss to the firm and in fact securing to it a certain profit.

***Proportion of Notes to Reserve.***

In 1899\* the following return of the average amount of bank notes in circulation and of specie in reserve in Hongkong during the month ending April 30th, as certified by the managers of the respective Banks, was published.

	Average Amount.	Specie Reserve.	Proportional Fraction.
Chartered Bank of India, Australia and China...	\$2,705,324	\$1,500,000	Five-ninths.
Hongkong and Shanghai Banking Corporation...	6,864,500	4,500,000	Two-thirds.
National Bank of China...	446,892	150,000	One-third.
Total	\$10,016,766	\$6,150,000	

Public confidence in a bank is increased by the knowledge that the bank possesses a large reserve in gold and silver. When the reserve is large no fear is felt by the holders of notes as to the prospect of payment on demand.

***Export Trade and Banking Facilities.***

An exporter in the United States may place shipping documents in the hands of a local banker, who forwards them to a bank in the port to which the exporter consigns his goods. The exporter relieves himself of risk. The banker abroad collects payment for the exports from the consignee. The shipping documents consist of invoice, bill of lading, certificate of insurance, certificate of inspection in case of grain shipments and a duly stamped Consular invoice. The bankers deliver the documents either against payment or against acceptance

\* *China Mail*, May 13th. 1899.

according to the instructions they receive. A bill of exchange drawn on the consignee accompanies the documents.

The consignee to whom the documents can only be delivered on payment may arrange with the holder of the draft to take up the documents under discount previous to maturity. The bank will allow the consignee, if respectable, to take over the documents previous to their proper release in order to store the goods to suit his own convenience. If this is not done the goods are placed in a bonded warehouse till they can be released.

In South America, the West Indies, the Mediterranean coast and partly in South Africa exports are sent direct with the documents to the importer who remits the amount due directly to the exporter. The importer goes to exchange banks and obtains as cheap a rate of exchange as possible and remits the amount by cable transfer or by long or short time banker's draft.

### *Foreign Banks in China.*

There are in China large British, French, Russian and Chinese, German and Chinese, and Japanese banks. The Hon. Lyman J. Gage at a convention of the American Bankers' Association in 1901 called attention to the close connection of government finances. With American commerce and American law, in his opinion, ought to encourage American bankers to establish institutions in the east by which they may enter the profitable field of foreign banking in China and adjacent countries. The law allows banks to establish branch banks and to keep and retain in operation under certain conditions any branches they may have in existence at the time of conversion to the national system.

Mr. Emil Fischer in the *Bankers' Magazine* for January, 1902, says the leading banking institutions of Hamburg, Berlin, Frankfort, Cologne, and Munich combined for the pur-

pose of establishing German banks abroad. Several colonial syndicates were formed, and German export and import trade has received an enormous stimulus since German colonial banks were instituted. The tonnage of the German mercantile marine has, during the last thirty years, increased over 150 per cent, in the international trade alone, not including coast trade, which is also enormous. As a result of these colonial banking institutions, the German trade has been growing continuously with America, Africa, Australia, China, Japan, and India. During the last quarter of a century there has been an increase of over 100 per cent. with the United States. The increase with Mexico and South America is over 300 per cent. and with the Far East and Australia about 500 per cent.

Foreign banks are essential in carrying on trades. The Hongkong and Shanghai Banking Corporation has, during the last ten years, increased its reserve annually at a remarkable rate. Its capital shrank with the value of silver most seriously, but the loss was made up by its annual earnings. The directors have wisely invested their enormous surplus and reserves in consols and other sterling securities. They amounted to \$13,750,000 in June, 1901. In that half year the profits were \$2,089,000 and the dividend paid was £1100.

In March, 1903, the paid up capital of the Hongkong and Shanghai Bank was \$10,000,000; sterling reserve, \$16,000,000; silver reserve, \$5,500,000. Total \$15,500,000; reserve liability of proprietors, \$10,000,000; interest on fixed deposits for a year, four per cent. Chartered Bank of India, Australia and China—paid up capital, £800,000; reserve liability of shareholders, £800,000; reserve fund, £550,000; interest on fixed deposits for a year, five per cent. Imperial Bank of China—subscribed capital, Shanghai Taels 5,000,000; paid up capital, Taels 2,500,000; interest on fixed deposits for a year, five per cent. This bank was established by edict of November 12th, 1896. Russo-Chinese Bank, organized by edict of December

10th, 1895. Head office in St. Petersburg, capital, 15,000,000 roubles; capital contributed by the Chinese government, K.\* Taels 5,000,000; reserve fund, £185,000; special reserves, £130,000. International Bank. Head office, Wall St., New York. Capital paid in gold, \$5,000,000=£1,000,000; surplus paid in gold, \$5,000,000=£1,000,000. Yokohama Specie Bank—subscribed capital, yen 24,000,000; paid up capital, yen 18,000,000; reserve fund, yen 9,010,000; interest on fixed deposits, five and one per cent, per annum.

### *Stock.*

The national debt of England is rendered easily transferable by the issue of stock certificates.† These certificates resemble the bonds of the United States and other governments. There are coupons for the payment of interest, and when not filled up with a name, they are transferable like bank notes. They were issued a few years ago in exchange for three per cent, annuities for sums not less than £50 and not more than £1,000.

They are now exchanged for two and three quarters per cent, consolidated stock, two and a half per cent, and two and three quarters per cent, annuities.

### *The Value of Gold Changes.*

Jevons says that between 1789 and 1809 gold fell in the ratio of 100 to 54 or by 46 per cent. From 1809 to 1849 it rose again in the extraordinary ratio of 100 to 245 or by 145 per cent., rendering government annuities and all fixed payments extending over this period almost two and a half times as valuable as they were in 1809. Since 1849 the value of gold fell to the extent of at least twenty per cent., and a careful study of the fluctuations of prices shows that rises and falls of from ten to twenty-nine per cent, occur in every credit cycle.

\* K is Treasury scale, 庫平, 10.96 per cent. The ordinary Shanghai scale, 規平, i.e., the 98 scale, is less than this by 10.96 taels.

† The Act of 33, 34, Victoria, Ch. 71, authorizes the issue of stock certificates.

After several centuries money changes its value to a very considerable extent. In Queen Elizabeth's time an Act of Parliament was passed, compelling the colleges of Oxford, Cambridge and Eton to lease their lands for corn rents. The result has been that the colleges now are far richer than they would otherwise have been.\*

*The Convenience of Banking in Transmitting Money Orders.*

The public benefit conferred by banks is largely that business can be conducted and payments made without the use of metallic currency. A draft on London is a paper note. The person to whom it is addressed receives payment in notes or in gold as he wishes. People take notes by preference for lightness in carrying, but if they wish gold they can have it: whenever notes only are given and received neither gold nor silver is required.

*Different Kinds of Banks.*

Transmission banks, hwei tui chwang, are also called p'iau hau or p'iau chwang. Government money is conveyed by soldiers as guards from one city to another. Silver is packed in hollowed blocks of wood called ts'iau.<sup>†</sup> In outside appearance they are thick branches of trees three feet in length; each of them holds twenty silver shoes weighing about fifty taels each. When private firms convey silver from one city to another, they employ men whose business it is either walking or riding, according to distance, to protect the silver from highway men.

Gold and silver, when represented by paper, are safe from thieves when the sum is very large. Samuel Rogers, the poet, had on the mantelpiece of his dining room a Bank of England note for one million pounds sterling. He knew it would not be stolen, because it would be cashed by no bank.

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\* Jevons on Money and the Mechanism of Exchange, 4th edit, 1878.

† 鞘.

Marquis Tseng Ki-tsê, who was minister to England during nine years, lost a bank note for £110,000. It was presented to the Hongkong and Shanghai Bank, but the money was not paid to the person presenting it.

Transmission bankers convey money for the government and for private traders from any large city in China to any other large city. The system may be illustrated by such examples as the following:—

***Transmission Banks, Hwei Piau Chwang\*, or Hwei Tui Chwang†.***

The Kiangsi indemnity of 1901 is fixed at Taels 1,400,000. The acting governor, Ho Chung-cheng, arranged for the payment of the second instalment by drawing on the land tax and rice contribution to the amount of Taels 116,666. To this he added, on account of change of weighing scales, Taels 916. With this addition made by using the Customs' scale and adding the banker's charge for conveyance 948 Taels, the amount sent to Shanghai to be paid there to foreign banks became Taels 118,514. The banker's charge then was about eight-tenths of one per cent.

From Ch'eng-tu to Shanghai the banker's charge for indemnity money is Taels 124 for 10,000 Taels.

From Hangchow the charge is forty taels for the same amount; near Shanghai the charge then for thirty miles is about one-tenth of one per cent. of the sum of money conveyed,

On December 7th, 1898, it was stated, as reported in a Shanghai daily newspaper, by the acting Viceroy of Szechwen, Wen Wang, in a memorial, that he had received a despatch from the Board of Revenue regarding the Szechwen subscriptions, which amounted to Taels 240,000. These he was directed to send to Shanghai to the Bank known as Tung shang yin hang‡ for the Luhan Railway company. The

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\* 匯票莊.

† 匯兌莊.

‡ 通商銀行.



acting Viceroy directed the treasurer to forward the money accordingly. The treasurer carefully prepared a weight, *fa ma*,\* as a standard. This weight is of copper outside and lead inside. On October 22nd, 1898, he entrusted the money to the bank, *piau shang*,† known as the *hiê tung ch'ing*,‡ and others. He fixed a date for its being received at Shanghai namely, December 11th, or within fifty days. On reaching Shanghai this silver was to be given to the *yamên* there, and the *yamên* transferred to the bank above mentioned. This bank would send it to the railway authorities. When the Taotai at Shanghai received the money from the bank he gave a receipt, *chê pi hwei siau*,§ which would be returned to the treasurer. The charge for conveyance was one-fifth per cent. or twelve taels per thousand. In the treasurer's accounts on the arrival of the Taotai's receipt this would be entered under the heading Subscriptions.

Subscriptions were called for in 1897. In the extra sheet of the *Shen-pao*, March 27th, 1898, the details of subscriptions for all China were given.

The transmission banking firm, *tien shun siang*, at the present time conveys copper from the Yunnan mines in part to Canton and in part to Hunan.

### *Savings Banks.*

Deposit or saving banks were formerly unknown in Peking. A few years since Japanese banks sent representatives to make inquiries and form an opinion as to whether the establishment of deposit banks would be successful. The events of 1900 put a sudden end to the plan. Later in July, 1901, some Japanese undertook to found a deposit bank. Large and small sums, either silver or ten cash pieces, are

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\* 法碼.

† 票商.

‡ 協同慶.

§ 製批回銷.

i *San Wen*, October 16th, 1901.

received and can be withdrawn when desired. The Chinese name is *Chu tsang yin hang*.<sup>\*</sup> This statement is incomplete in one point. A savings bank in Peking was commenced several years ago by the Hongkong and Shanghai Bank.

### *Shansi Bankers.*

The *Sz heng†* transmission bankers in Peking do much government business. When the Boxers entered Peking in June, 1900, they closed their doors. An edict insisted that they should continue to transact business, but they did not obey. When in August the Allies entered Peking, that part of the city near the *Tung-sz-p'ai-low*, where they do business, was under the Japanese. The Japanese urged them to open their establishments. After a long time they consented. In October some Chinese persuaded certain Frenchmen to cheat them (*Chung-wai-pao*, November 22nd, 1900). In consequence of this the proprietor again closed his doors.

The basis of the fortunes long since made by Shansi bankers was in salt and iron, both of which valuable products have been exported from Shansi in unfailing abundance for more than two thousand years. The Roman coins found in Shansi a few years ago would probably be received from Roman merchants who took away with them good samples of Shansi iron. The Shansi traders needed to travel to take orders in all cities far and near. They became bankers through the flourishing nature of this trade. The silk of China would, in the warmer climate of 2,000 years ago, be among the products of Shansi. But the prominence of salt and iron is plainly shown by the existence of the treatise *Yen tiê lun*, a small book written in the Han dynasty, containing a discussion on taxation between statesmen of that age. The name means,

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\* 貯藏銀行.

† 四恒.

"Discussion on Salt and Iron," and the aim is to show that the taxation of these articles is necessary and advisable. There were two views then prevailing. The pure Confucianists as a matter of principle held that the sovereign must not seek pecuniary profit. The party who defended the taxation of goods held that an armed force is needed to maintain order, and to support an army, taxes must be levied. The Chow-li, a classical work, says that the Chow Emperors appointed officers at custom houses with power to levy duty on goods passing. They smoothed the way for the trader to obtain goods and for the producer to meet buyers. If goods evaded the custom house they were confiscated and the guilty man punished. If this law really came from the hand of Chow Kung its date is about B. C. 1100. The early Shansi traders sent their goods to the surrounding provinces—Chihli, Shantung, Honan, and Shensi. They began to do this about B. C. 600 and paid duties either with the new cash which then came into use, or with gold or silver. But it was not till about the Tang dynasty A. D. 600 that the wealth of the Shansi traders and the extending use of paper led to their becoming bankers.

The bankers convey money from one province to another for three per cent. or a less fee. Coal came into use about A. D. 1200, when the capital was already fixed at Peking. The coal of Shansi added to the profits of Shansi merchants and bankers. They accumulated capital and were able to help not only the government but traders in all cities.

There are about twenty Shansi banking firms in Shanghai, and this city has become the chief banking centre for the whole of China. Bankers having large capital lend money to bankers in each city who have small capital. The high rate of interest in China allows capitalists to secure very large profits, in part by conveying money, and in part by lending it and by issuing stamped notes.

**Official Banks, Taxations Banks.**

The banks established to receive taxes and subscriptions on government amount are not always a success. When Chang Chī-tung was Viceroy of Nanking, he established an official bank called Kin yü kwan yin hao\* to receive taxes and subscriptions. But a banker, Hū Ting-mao, still kept the banking business in his own hands, and after a time the official bank was closed.

In 1903 a new official bank at Nanking commenced operations. It is called Yü ning kwan yin chü.† It was opened May 27th. The programme of this new venture was worked out by the manager, Chu Ch'ī-ch'ang, so as to secure the bank from failure. The manager has the rank of prefect.

In the *Sin-wen* of March 23rd, it was stated that at Soochow the Treasurer Lu Yuen-ting, in a petition to the governor, asked liberty to open a cash bank with the name Yü su kwan yin ts'ien chü‡ to exchange new copper and silver coins for so much silver as should be brought by traders. Beside this, the governor also gave permission to have a hundred thousand notes engraved in Japan with a dragon border, to serve as representatives of one, five, ten, or more dollars. The words Yü-su mean to benefit Soochow; Yin ts'ien ch'ü is the office for silver and copper coins. The notes may be used in paying taxes, duties, and dues of all sorts. The notes bear the stamps both of the governor and of the treasurer.

**Official Banks for Coin Distribution.**

A bank for exchanging new copper ten cash coins has been opened at Soochow by the treasurer.§ He is disappointed

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\* 金裕官銀號.

† 裕寧官銀局.

‡ 裕蘇官銀錢局.

§ *Sin-wen*, June 3rd, 1903. The bank is named 官兌局 Kwan tai chü.

on finding that the copper coins do not remain in local circulation for the benefit of trade. It is impossible to prevent these coins from being exported. The treasurer has lately decided to retain the coins that would have been exchanged on the third, sixth, and ninth in each decade of days, amounting to 8,000 strings of cash or eight million cash. He has ordered the prefect in charge to distribute the strings in the following manner: Three thousand strings go to pawn-brokers, who distribute them for the pledges of the poor; two thousand five hundred strings are sent to the city charitable institutions to be at the disposal of the managers; one thousand five hundred are to be under the direction of the three city magistrates, that is to say, five hundred strings to each, and they thus find their way to orphans, poor persons, and office servants. One thousand strings are used in distributing money as pay to soldiers and police. Very great difficulty is felt in keeping the new money which is made for Soochow in circulation in the city.

### *Banking in Peking.*

In July, 1901, the return of the court to Peking became certain and uneasiness ceased. The following banks recommenced exchange business: Si heng,\* Yi shan yuen,† Yuen feng jun,‡ The four Heng banks have the largest constituency. About fifteen Shansi transmission firms do business with furnace firms for melting silver at Tientsin and Tungchow. Further, the goldsmiths Kwang Yu§ Jen Chang, and Feng Yuen,¶ after the Boxers had left Peking, hired houses in which to transact their business. The houses of the goldsmiths had been burnt. Other firms whose houses were not destroyed—Tien feng, Yi feng, Lan yi, San yi ho, Pau lung lung, and Heng yu—became busily occupied as before the siege of Peking in 1900.

\* 四恒.  
§ 廣裕.

† 義善源.  
‡ 仁昌.

‡ 源豐潤.  
§ 豐源.

On July 16th, the firm Yuen feng jun\* recommenced trading in their old establishment, Hing lung tien, in the Chinese city.

### *Shensi Contingent.*

The *Chung-wai-pao* of May 27th, 1899, states that the Shensi contingent of Taels 30,000 for the instalment due on the 5th month to repay the British and German loan was entrusted by the provincial treasurer to the exchange bank having the name Hsie t'ung ching yin hao for transmission to the Customs at Shanghai. It would be received by the Tung shang or Imperial Chinese Bank for transmission to foreign creditors.

### *Szechwen Contingent.*

In the *Hu-pao* of October 15th, 1899, it was stated that Taels 940,000 were to be paid from Szechwen for charges arising from foreign loans. To England and Germany each year in the 2nd, 5th, 8th, and 11th months an equal portion would be sent to the Shanghai Customs. This year, for the third payment, the Viceroy Kwei ordered the treasury superintendent† to increase the house and land deed tax by Taels 20,000, less six candareens or Taels 17,500. The salt treasurer was directed to add Taels 40,000. The Transmission Office‡ added Taels 40,000 on salt in the retail price. The Chung-ching Customs contributed Taels 20,000. Total, Taels 137,500.

By the treasurer's order a fa ma or standard weight representing a thousand taels was prepared. To melt it lead is used, but outside it is copper. This is the work of a smith in the treasurer's official residence. It was entrusted to the bankers Hiê t'ung ch'ing.§ They received it on September 22nd and transmitted it to the Shanghai Customs. It was

\* 源豐潤.

† 官運局, Kwan yüu chü.

‡ 司庫, Sī k'u.

§ 協同慶.



used in weighing for payment to the foreign creditors. The Chinese treasury scale is used in making the fa ma \*: the phrase t'í chu k'u fa † is employed in describing its treasury weight.

#### *Anhwei Contingent.*

On December 21st. 1898, the Wuhu Taotai sent to the Shanghai Customs, through native banks, Taels 10,000. This was to be credited to the English and German loan account.

Chinese transmission banks charge rates by distance. This is different from the foreign method: foreign banks charge by days only.

#### *Transmission to Kansu.*

Tung Fuh-hsiang received funds from Szechwen (*Chung-wai*, November 30th, 1900) for his army, through a transmission bank of Ch'ung ching.

#### *Transmission to or from Yunnan.*

In his work on Yunnan, M. Emile Rocher mentions the transmission bank, Tien shun siang. ‡ Money can be sent to Yunnan or from that province by the good offices of this bank. This bank also canvasses for shareholders in mines.

#### *Fukien Contingent.*

The Viceroy of Fukien in a supplementary memorial says that Fukien is required to forward Taels 250,000 to Peking for army expenditure. This sum is derived from the salt tax. The Salt Taotai has provided Taels 50,000, and this is the first instalment for the year 1902. The Manchu General, who is superintendent of Customs, sends this amount to Peking through a banking firm. This firm undertakes to transmit it to the Board of Revenue. No officer, wei yuen, is to be appointed to have it in charge during the journey.

\* 法碼.

† 體鑄庫法.

‡ 天順祥.

The same journal prints another supplemental memorial of the Viceroy Hū Ying-k'wei. Fukien is required to send each year Taels 800,000 in monthly instalments to Shanghai, to the Taotai there for the indemnity. The third instalment was sent in March. In April the fourth instalment is due, viz., Taels 66,670. The Board of Revenue allows opium likin Taels 20,000 to be paid over by the commissioner. There remain Taels 46,070. The Taotai, the treasurer and a new local board, the Tsi yung Board, united on April 17th to entrust the whole to a banking firm to transmit to Shanghai by April 25th and deliver it to the Taotai. The banker's fee is Taels 1,586.7.8, and this amounts to Taels 340 for 10,000 Taels. The banker's charge is Taels 3.40 per cent.

***Transmission by Armed Escort.***

In the *Shen-pao*, February 21st, 1900, it is stated that in Manchuria and other thinly populated provinces guardsmen, piau k'ê\*, are engaged as escort on lonely roads. Recently the Ch'eng sin 誠信 and other transmission banks, having to send several thousand shoes of silver from Moukden to Newchwang, engaged three guards, provided by an escort firm. On the east of the city of Liao-yang they met a body of mounted robbers and fired upon them. The robbers attacked them with spears; one was killed by a spear thrust, another lost an eye, the third galloped away to save his life. This shows the necessity which exists for telegraphic lines and railways. The firms which provide guardsmen are highly paid. They are called piao chü.† Nine carts loaded with silver were on this occasion captured by robbers.

***Transmission from Shanghai to Distant Cities.***

The Tai-ping rebellion caused difficulty in transmitting money. In 1867 an edict in March said, Tso Tsung-tang states

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\*標客.

†標局.

that the forces in Shensi and Kansu are greatly in need of silver. He asks that a foreign loan may be negotiated at Shanghai, amounting to 1,200,000 taels. Each custom house should be required to issue bank drafts.\* He learns that in certain cities in Shansi the bankers have a large quantity of silver which can be transmitted in the usual way. He begs that the various custom houses be ordered to hasten the issue of their bonds to be sent to Shanghai to be received by the transmission office there and passed to foreign capitalists, who will then pay silver in return. This will be consigned to the transmission bankers and they will give in exchange bank orders which will be accepted and cashed in Shansi at the city named.

### *Pawn-broker's Interest.*

Pawn-brokers in China are the bankers of the poor, the small farmer, and the artisan. In the *Shên-pao*, March 29th, 1900, it is stated that pawn-brokers are the wealthiest of all traders. Their capital ranges from 20,000 or 30,000 taels to 100,000 or more taels. Two candareens a month is the interest they charge. They allow interest on deposits to the extent of eight or nine-tenths of a candareen a month. The money they receive from the poor, the poor can ill afford to pay. If they fail to redeem the pledges they are sold after a year or fourteen months to recover the loan. When Tso Wen-siang was Viceroy at Nanking, he felt pity for the poor and ordered all magistrates and prefects to intimate to pawn-brokers that they must not ask more than one candareen and six-tenths. The time for redemption must be two years. This was a great relief to the poor. But gradually under new administrators the pawn-shop capitalists returned to two candareens and even more.

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\*印票, Yin piao.

A new rule made in Sungkiang prefecture is that pawn-shops of 20,000 taels capital shall charge one candareen and six-tenths. Those whose capital is less than 20,000 taels, charge one candareen and eight-tenths; those whose capital is 5,000 taels or less, charge two candareens.

The rate charged by pawn-brokers in Peking is also two candareens a month. A system of banking, prudently conducted, would have a most beneficial effect. The agricultural banks, now being introduced by Lord Curzon in India, should also be introduced in China for the benefit of the poorer classes.

In China at present rich men, it is thought, may well pay high interest, but not so the poor. Towards winter each year it is a common occurrence for a magistrate in a proclamation to forbid high interest. He appeals for the poor that they should be allowed to redeem their pledges at a low price.

#### *Native Cash Banks, T'sien P'u.\**

In the *Shen-pao*, March 1st, 1899, there is a statement of the refusal of four cash banks in Shanghai—T'ung k'ang,† Tsz yuen,‡ Yuen mow,§ and How k'ang ||—to honour their own notes. The kerosene oil firm Hiè ki,¶ before stopping payment at the end of 1898, paid to the Hung yü\*\* cash bank seven thousand taels in notes of the above mentioned four banks. Reuter, Brockelmann & Co. (Lu ling)†† sent word to say that they had lost these notes, and that the four firms should not honour them. The Hung yü firm urged the four cash banks to pay, but they all declined to do so. Hung yü then requested a meeting to be called of the north and south cash bank guilds. At the meeting it was asserted that the notes had not been lost. The responsibility rested with Hie Ki. Lu Ling does not trade in kerosene oil. The united guild

\* 錢 鋪.  
§ 元 茂.  
\*\* 宏 裕.

† 同 康.  
|| 厚 康.  
‡ 魯 麟.

‡ 滋 沅.  
¶ 協 吉.

petitioned the Taotai to interfere, who in response sent a despatch to the British Concession Mixed Court Magistrate, directing him to issue an order to the four cash banks to pay the money to the Hung yü bank. Still they refused, and the Hung yü bank then requested the committees of the north and south cash bank guilds to meet and discuss the matter. It was said in the meeting that the trade of Shanghai, the chief business centre in the empire, depends for its prosperity on the due honouring of bank notes. As to the notes paid by Hiê Ki they were not lost. They were admitted to be genuine at the time when they were due. Why should they not be honoured? Trade depends on the honour of those who issue bank notes. If the amounts specified on the notes are not paid there will be no more confidence in bank notes. The banks will issue them no longer.

The notes issued by keepers of native cash shops are called Hwa p'iau\* Hwa is divide, draw marks, define.

There are in Shanghai more than two hundred cash shops, among them forty are known as Hwei hwa chwang,† because they have capital sufficient to enable them to give silver for the notes if there should be a run upon them.

On account of scarcity of money‡ and the extensive circulation of counterfeit cash the superintendent of Tientsin, with the prefect and city magistrate, called a meeting on March 1st of the cash shop bankers and urged them to keep the price of cash as low as possible and carefully avoid mixing counterfeit cash with good coin. They replied that at present cash are scarce and that the cash in circulation are very much mixed. If they were to decide absolutely to use only good coin the result would be that many of the native firms which issue bank notes would fail. They then agreed that for every five hundred good coins forty counterfeit coins should be the un-

\* 劃票.

† 匯劃莊.

‡ *Shen pan*, April 27th, 1899.

derstood proportion: beyond this they agreed not to go. This is eight per cent.

The cash shop known as Chen t'ai c'heng,\* a substantial firm issuing notes largely on account of the scarcity of cash, was not able to meet demands for coin. This firm was accustomed to issue many certificates representing 100 strings each, and its credit was good. The proprietors petitioned for permission to mint cash themselves; but as this would amount to a transformation of counterfeit coin into lawful coin, this petition was not granted.

#### ***Loans from Foreign Banks to Native Banks.***

The native banks in Shanghai borrow foreign capital at seven per cent. and lend it to shop-keepers on shop securities at ten per cent. They do not lend money to country farmers. If country farmers need money to buy seed and oxen and pay for hired labour they borrow from rich persons in their neighbourhood at twenty-four per cent. This high rate of interest renders pawn-brokers in China the richest of all traders.

✓ If the native interest is high at any time, through lack of silver, foreign banks make large profits by lending at fifteen, twenty, or twenty-five per cent. to native customers. On May 29th, 1903, the daily interest on 1,000 taels was one tael, and on, May 30th, the day after, it was two mace five candareens. A loan effected on May 29th might have realized more than thirty per cent., and in fact thirty-six and half per cent. Money was lent to foreigners at the same date by the foreign banks at five or seven per cent. All through May the native rate of interest was high. Early in June it fell to twenty-eight hundredths of an ounce. The early summer term day passed May 31st.

#### ***Loan to Transvaal.***

The loan to Transvaal in May, 1903, was subscribed for in London to the amount of £1,174,000,000.

\* 振泰成.



*Revenue of Great Britain.*

For 1902-1903 the revenue was £161,199,780. Of this amount nearly £10,000,000 is credited to local rate authorities. A penny of the income tax yields about two millions and a half. The income tax will be reduced.

The stocks at New York on the stock exchange in that city increased from \$1,047,000,000 in 1893-1894 to \$3,882,000,000 in 1901-1902.

*The Financial Pressure in Tientsin in 1903.*

Wu Jen-pa proposed that the Viceroy should be asked to allow native banks to circulate their bank orders as formerly. This would lessen the pressure felt on account of the scarcity of silver. The authorities of the Viceroy's official bank should test the reliability of the native banks and register their names. The Viceroy's bank should stamp all native bank orders to ensure their acceptance by foreign banks.

The Viceroy's bank and the compradors of foreign banks should be held equally responsible for any irregularity in native bank orders.

The Viceroy should stand as security to the extent of Taels 300,000 for each of the five leading native bankers.

Documents containing title to property or assets of the native bankers should, if necessary, be lodged in the hands of foreign bankers under certain conditions.\*†

Arrangements should be so made that foreign bankers may receive native bank orders on credit on the production by the native banks of securities satisfactory to the compradors of foreign banks.

Viceroy Yuen was in May, 1903, much impressed with the need of government aid to restore activity to the Tientsin trade. He discussed this matter with the Cheng wu chu,‡ and

\*London, May 12, 1903.

†North-China Daily News, May 12, 1903.

‡政務處.

the ministers agreed to present a memorial on this subject. The Empress-Dowager gave an order that the Board of Revenue should apply four million taels to this service. Su Chwen-lin remarked that the Board could not expend this large sum. It was agreed that the Board should advance one million taels to relieve the financial pressure in Tientsin.\*

#### *A Bank and Paper Currency in Tientsin.*

Native notes marked twenty per cent. silver and eighty per cent. copper, were placed in circulation on the 3rd May, 1903. This is one of the measures by which the Viceroy of Chihli aimed to afford relief to the Tientsin traders who felt severely hampered by the stringency of the money market.

The opinion of Prince Ching and Chü Chung-t'ang was that before a mint was established there should be in Peking a Board of Trade.† T'sai cheng ch'u is the name they proposed to give to it.‡ The chief duty of this Board would be to discuss the question of coinage for the empire and to have the coins made—Chu yin yuen.§ Another matter to discuss would be the establishment of a bank—Yin hang||—with paper notes—Hing ch'au p'iau.¶

The Shanghai *Daily News* of July 16th, 1903, says the new Imperial mint is to be constructed in Tientsin on the east bank of the Pei-ho. It will be in working order by the winter of 1904. The assistant directors are Ch'en Pi\*\* and P'u Hing.††

#### *Gold Standard.*

A despatch of Sir Robert Hart appeared,‡‡ proposing a plan for the adoption of a silver coinage with a fixed value as a national currency.

I. Foreign countries all have gold coinage. Silver coins in foreign countries are priced by the gold standard and their value does not rise and fall. They are recognized

\* *Sin-wen-pao*, May 21, 1903. † 銀元局.  
§ 鑄銀. || 銀行. ¶ 行鈔票.  
†† Vice-President of the Board of Revenue.

‡ 財政處.  
\*\* Governor of Peking.  
‡‡ *Hu-pao*, May 7th, 1903.

by law as money. China has many kinds of silver and copper coins in circulation, but no fixed gold standard. The market price is followed, and this price varies from day to day and sometimes between morning and evening. Silver coins, too, are few in number. The most of the silver circulating in China is in lumps of various sizes, so that it is treated more as a commodity than as being itself money and is less in price on that account. Of late years the production of silver mines has increased so much that the gold price has fallen. More has been produced than was needed. The gold price of silver is on this account much less than it was and it is still falling in value. The price is so uncertain that traders suffer much inconvenience, and it is better for China to adopt the gold standard, especially because the indemnity she has to pay to foreign countries is to be estimated according to the gold standard. For the sake then of the government and the people the gold standard ought to be adopted. China must have a silver coinage, and the value to the trader of her silver coins must be regulated by their gold price, and that price must be fixed, so that the inconvenience arising from rise and fall in the price of silver may be no more felt. This is the object, Sir R. Hart adds, which he has kept in view in this scheme for a silver coinage on a gold basis.

II. If China had gold in abundance it would be easy to adopt a gold currency and assign a fixed value to her silver coins. But China has only a silver and copper currency and is without gold. What is needed is then to find a method by which silver coins may have a fixed gold price and there should be an endeavour to limit change in currency as much as possible, so that it may be less inconvenient to the government and to the public.

Gold coins not being in use, silver coins can only secure a fixed gold value by uniform purity and uniform mode of manufacture, obtained by the establishment of a single mint.

The government needs to direct that coins sufficient for use throughout the empire be issued by this mint, and that the manufacture of coins in other places be no longer allowed. It is essential that there should be only one mint. The establishment of a government bank is desirable on many grounds, but it does not affect the question of a fixed value for money.

III. In the event of a decision\* by the imperial government to introduce uniform silver coinage throughout the empire it will be well to retain the decimal notation in use already, i.e., the names liang, ts'ien, fen, li, would remain. But Chinese currency should be in touch with foreign currency, and to secure the gold price of silver according to the standard adopted in all countries, the scheme proposed is as here follows. A tael, or silver liang, consists of a certain quantity of silver. Shall this be weighed by the native treasury scale—the k'u p'ing—or shall it be the American twenty-cent piece which already has a fixed gold value recognized in all countries? At present eight taels (liang) are one pound sterling.† This might, without any difficulty, be fixed upon by authority. Whether the American dollar or the English pound sterling be the basis chosen there should be four silver and two copper coins, that is to say, a silver tael (liang), half a tael, one-fourth of a tael, and one-tenth of a tael; of copper there should be the 100th and 1000th parts of a tael. When the coins are ready, an edict forbidding the circulation of other coins should be issued. A time should be fixed when the circulation of other coins in any part of the empire should cease.

IV. When the mint is established on a well-organized system the mints in the provinces should all cease their operations.

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\* *Hu-pao*, May 8th, 1903.

† July 21st. The Bank buying price is Taels 8.12.

The machinery belonging to provincial mints should all be sent to the central mint to be retained there for use and to prevent injury to valuable property through neglect.

Beside the Chinese employed in the mint to discharge various duties, there should be a foreign mint master, an expert to test the purity of metals, an engineer and an accountant. They should be trained men, practically acquainted with their duties. The silver tael and half tael should be nine parts silver and one part copper. The quarter tael and the tenth of a tael should be made up of eight parts silver and two parts copper. The silver thus saved should be used to defray the mint expenditure. The use of alloy removes the temptation to melt the coins for profit, and the coins are also hardened and last longer before becoming thinned by friction. Previous to issuing the new coins an order should be sent to the provinces to transfer all the silver in the official treasuries to the central mint to be melted and made into coin. Private persons bringing silver to the mint would ask for it to be coined. The mint appraiser examines it and learns its amount of purity. If sufficiently pure coins of the same weight are served out to them in exchange.

Paper notes representing the new coins may or may not be made and circulated by the mint. The number of such notes should be determined and a silver reserve kept sufficient in amount to secure specie payment on demand when the owner of the notes wishes it. The use of paper notes will be a matter for consideration as also the amount of silver coins as reserve.

V. When the mint has commenced working, it will be well for ministers to advise the issue of an edict forbidding the circulation of foreign coins in China. The use of uncoined silver, as money in large and small lumps, should also, after a definite time, be prohibited. All such silver, when brought to the mint, may be exchanged for the newly-made coins.

according to their weight. Permission for this to be done, should be expressly stated in an edict, so that there may be authority for the new coinage within the empire.

It still remains to show how a fixed gold price may be secured to the proposed new coins, so that they may have the value that would be assigned to them in foreign countries.

After the issue of the edict establishing the mint, an exchange officer should be appointed who should be supplied with certificates\* authorizing the bearer to proceed to the mint and obtain the coins he requires. Such an officer will be required in China and in foreign countries. From time to time he will issue certificates. Foreign merchants having firms or banks in China must use the silver money of the country. To obtain it they apply to the exchange officer for certificates,\* and they must, as required by edict, pay the gold price for the silver they wish to buy. They buy the certificates with gold and they can then obtain the silver coins on application. The gold is taken charge of by the exchange officer and may be used in paying the indemnity to foreign powers or as a reserve for gold bank notes or for the manufacture of gold coins. From time to time as gold is received particulars are entered on the books of the exchange officer for future reference when required. In this way the new silver coins of China may have given to them a fixed gold price both in China itself and in the transactions of foreign merchants. This matter is of extreme importance and all the circumstances need to be very carefully considered so as to ensure perfect security and complete freedom from error.

VI. Further, if a silver coinage with a fixed good price is to be used in China, the statement, thus presented, must be complied with in every point. In addition to this it is requisite to have a satisfactory understanding with the banks of foreign countries. There must be negotiations from time

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\* 取銀之執據 Chü yin chü chü chu.



to time with these banks, so that in this matter of currency there may be no uncertainty or want of clearness. Should China establish a national bank? This is a question quite independent of silver coinage based on a gold standard. A national bank may be established after the silver coinage based on a gold standard has been adopted. It need not precede the adoption of the gold standard. In itself, China should establish a national bank, because all other nations have such an institution and derive benefit from it. England most of all finds in it a great source of prosperity. While China is engaged in reforming her currency it will be well also to found a bank of China.

There are six important features in a national bank. First, all magistrates deposit their tax receipts in this bank; second, the deposit is drawn upon to pay those who ought to receive salaries and settle tradesmen's bills; third, this bank would manage all payments of national debts and indemnities; fourth, this bank would aid the public as all private banks do in receiving and distributing money; fifth, in accordance with the rules of all banks, this chief bank trades with the deposits entrusted to its care, whether they are public or private property; sixth, this bank acts on behalf of the government in conveying to their destination amounts of money due to the provinces or to foreign countries.

In addition to these six departments of bank business which constitute its proper province there is another important matter. The national bank has to do with merchants as well as with the government. There should be but few officers appointed to negotiate matters with the bank, and they should not impede its operations. This is very desirable. The bank must be in connection with the mint, and probably the mint should be one department of the national bank. The effect of such an arrangement would be that the two institutions would work harmoniously without friction.

In regard to the branches of the national bank they would naturally be established at important local centres. For example, the Customs' banks which, at each port open to foreign trade, carry on their business in a satisfactory manner might become branches of the national bank; also, it may be that banks owned by native capitalists which are carried on efficiently might also become branches of the national bank should it appear that they can be conducted on the same principle, and in conformity with the same regulations.

In this lengthened argument the object has been to show how China may obtain a silver currency with a fixed gold value. A further object kept in view has been to explain the principle of the first more fully. Native statesmen who hold the reins of government may find here a basis for successful action should they decide on the adoption of a silver currency based on a gold standard; under each section of the preceding statement will be found particulars deserving of consideration. When the time of action arrives each separate department which will then be called into existence will find here subjects calling for careful thought. At present, Sir R. Hart adds, I need say no more.

April 10th, 1903.

#### *The New Mexican Currency.*

In 1903 Señor Limantour, Finance Minister of Mexico, visited New York and Europe. He stated, when in New York that Mexico having been hitherto a silver country its government does not contemplate the establishment of a gold currency. But it desires to secure a fixed value for silver, which at present constitutes forty per cent. of the exports of the country. Mexico will continue to be a silver country, but its silver will have a fixed value. In this policy it follows the United States, which, in the Philippine islands, has undertaken to provide a silver currency with a fixed value. Russia,

France, Holland and Great Britain have a similar policy. They have a gold currency at home and a silver currency in many of their dependencies. President Diaz and his Finance Minister, Señor Limantour, have given earnest attention to the silver problem, and a central commission was appointed to investigate the subject on all sides. Four branch committees were entrusted with research work of four kinds: First. What is the real value and the market value of every article now imported to or exported from Mexico? What amount of foreign capital is invested in Mexico and what sums are annually sent abroad as interest on these investments and for payment of the principal? This sub-committee reports also on duties, insurance, commissions, freight and other charges on merchandise, imported or exported. The second sub-committee investigates the mineral products of Mexico, the quantity of each mineral exported and the profits accruing to those who own and work the mines. This committee also studies the effect of the exportation of Mexican dollars upon the future production of the precious metals as likely to lead to farther decline in the market price of silver as related to gold. The third sub-committee is instructed to study the quantity and kind of money now in circulation in Mexico. They would receive reports from official bureaux dealing with finance and obtain information from traders and bankers. This committee would also draw returns of the stock of money held in Mexico and its fluctuations as well as the effect of fluctuations occurring periodically upon the rate of discount and on commerce, agriculture, trade, and industry. The fourth sub-committee gives its attention to fluctuations in the rate of exchange.

Thirty-five years ago silver began to decline in price, and its history during the last decade of the 19th century and since has inspired just alarm. Yet Mexican experience leads to the opinion as expressed by Señor Limantour that the

decline in value of silver is favourable to some enterprises, while detrimental to others. Mines are still industriously worked; and on the whole the fall in value of silver is not to be regretted. Mexico continues to prosper while some classes of the population have suffered very severely. The prices of almost every article of consumption have been affected and the sudden fluctuations in foreign exchanges have been felt to be most injurious. The silver nations continue to purchase the products of gold countries, but with a greatly diminished capital. A main point of importance with Mexico is at present to prevent by currency changes a further decline in silver value and secure for it a fixed market price. Mexican dollars now circulating, will be brought in at their gold price and will cease to form the national currency.

#### *American Finance.*

On April 29th, 1903, the gross amount of gold held in the treasury vaults at Washington was \$645,378,178. This very high figure has been maintained since demands for spring trade were met and no stringency was expected till autumn, when money will be wanted in the wheat growing sections of the country. The steel bond increase and two railway schemes demanded money, and other outlays are in contemplation. There is good demand for the regular industries. The excess of loans over deposits in the national banks creates a certain anxiety in the minds of some observers. During the years 1891 to 1896 there was a larger excess of loans over deposits than in the present year 1903, but in those six years business was comparatively dull, and there were many failures. During the years 1897 to 1902 the ratio of loans to deposits was much lower and the industries were active beyond precedent. The exports of gold in April and May were large in amount, but when the facts just mentioned are considered there is no occasion for alarm. Gold went to Paris and South

America. That which went to London was chiefly on account of the Transvaal loan, which is repaid by three per cent. bonds sold at a reasonable price. This loan was largely oversubscribed. Silver reacted because Philippine purchases were overdiscounted, but a revival of interest in India produced farther strength. (Dun's Review of International Trade, June, 1903).

### *English Finance.*

In April and May low reserves in the Bank of England resulted from operations in connection with the consol issue, but these were promptly recouped, and on the whole the permanent factors in the situation are satisfactory.

About May 20, 1903, the Chancellor of the Exchequer stated in the House of Commons that there were 145 applications for the Transvaal loan certificates of £1,000,000 each: 89 exceeding £1,000,000 and not exceeding £5,000,000, five exceeding £5,000,000 and not exceeding £10,000,000, five exceeding £10,000,000 and not exceeding £20,000,000, four between £20,000,000 and £30,000,000 and one of £30,000,000.

The naval expenditure of England for 1903 is £38,143,000, while the united navies of France, Russia, and Germany cost £34,288,000. The army costs England £34,000,000. Total £68,000,000. The German army costs annually £28,000,000. The German navy costs £4,000,000. The French army costs £28,000,000 and the navy £13,000,000, the Russian army and navy cost, £48,000,000 and £16,000,000.

A company has been formed in London with a capital of £20,000 to be raised in 20,000 pound shares to establish and carry on book shops in London and the provinces. The managers and assistants are to be men trained for their work. The central office will keep the manager's or the local shops in touch with matters of literary interest. The assistants in London will attend lectures on library administration at the school of economics and so increase their efficiency.

*Paper Money in the 12th, 13th, and 14th Centuries.*

When copper could be had in abundance cash were used to pay troops and to support the civil service. This was the case in the time of the Lian dynasty, A. D. 816 to 1168. The race to which the Lian Emperors belonged was that of the Eastern Tartars. They called themselves Kie-tan, and when they were driven from North-eastern China, they settled in Shensi for half a century, making Si-an-fu their capital. This dynasty obtained sufficient copper to meet the demands of trade in their time. There was then no paper money. It was followed by the Golden Dynasty, which reigned from 1115 to 1238 and introduced paper money extensively. They learned it from South China, where paper was made. But money orders were needed for the armies of the Golden Tartars and for the use of travellers, official or commercial, when proceeding over wide spaces in the empire which included Manchuria.

The title Ch'au-fa was the term used in the Yuen dynasty by Kublai. The names Chung T'ung,\* Ch'ī Yuen† were inscribed on silver and on silver notes. The silver was the mother and the paper note was the son. In 1341 the notes were called Kiau-ch'au‡. At this time of political decay the notes were discredited because the gold and silver reserve was lacking, and paper money is readily torn and is liable to become illegible.

The currency which existed till lately was established by Hung Wu, the founder of the Ming dynasty. Paper currency proved a failure; as it was managed in the later years of the Mongol dynasty, the people wanted metallic currency, and the Ming Emperors gave it them. The modern name of the mint for casting cash, Pau-yuen-chü,§ came then into use at first in Nanking and afterwards in Peking.

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\* 中統, 1260.

† 至元, 1264.

‡ 交鈔.

§ 寶源局.



In the work *Sü Wen Hien Tung Kian Tsi Yau* it is stated, ch. 2, p. 15, that paper money has copper money for its basis. This was before the age of silver currency. Facts regarding paper money should be regarded simply as secondary to copper currency. Paper currency spread extensively in North China in the Kin dynasty, 1115 to 1234. Under the Mongol Emperors copper cash fell very much into disuse, and paper money was still more widely employed in trade. Copper cash were, during the Yuen dynasty, 1260 to 1368, almost excluded from trade, and their place was supplied by paper notes. This system could not last. Copper cash recovered their importance in the Ming dynasty. But paper money at that time still continued in circulation for about a century, along with copper cash.

*The Notes Called Kiau Ch'au.*

The paper notes called Kian Ch'au\* began to be issued about A.D. 1154 by the Tartar chief, who called himself Hai Ling-wang. He established a paper currency board in Kai-feng-fu with the name Kian Ch'au K'u, under the management of an officer styled K'u Shī.† A printing office was also opened called Yin Tsau Ch'au Yin K'u‡ two months later. It was by the advice of Tsai Sung-nien, President of the Board of Revenue, that this further step was taken, and three kinds of officers were appointed to superintend the work with the titles K'u Shī,§ Fu P'an|| and Tu Kien¶. The K'u Shī and Fu P'an discharged the duty of adding their signatures and stamps to commercial contracts and deeds of sale as well as that of printing notes representing five amounts of copper cash, viz., 1,000, 2,000, 3,000, 5,000 and 10,000. These were called the larger cash notes. Beside these there were the cash notes of smaller face value, representing, 100, 200, 300,

\* 交鈔.  
§ 庫使.

† 庫使.  
副判.

‡ 印造鈔引庫.  
¶ 都監.

500 and 700 cash. These were called the Shan-ch'ian, or Sian-ch'au\*, and they continued for a long period in circulation with copper cash. The limit of circulation was made seven years in accordance with the method of Chang Yung in dealing with the Szchwen notes—Kian Tsī,† He lengthened the time, before which they must be presented for payment, because of the want of copper for making cash.

In 1173 when the Emperor went in state to Shantung from Kai-feng-fu the carriage of cash was very inconvenient on account of their weight. On this ground paper currency was found highly useful. The expense of the imperial cortège was great. Copper cash were scarce in the markets and shops. Paper currency was welcomed by the people and of great assistance in these circumstances. The President of the Board of Revenue, Chang Heng, said the upper capital in Manchuria is distant from Kai-feng-fu 4,000 *li*. Copper cash, if sent, would lose two-thirds on the way. This would diminish the revenue and lay a heavy burden on the people. Paper money would be better, because it would be convenient for the people and a saving to the government. The Emperor granted his prayer.

In 1189 there were objections proposed to the use of paper money, but local magistrates stated that it was a benefit to traders who brought their goods from a distance. They could purchase notes with copper cash, and this was an advantage to the government. In addition it was asked that the limit of time for delivering up the old notes might be cancelled. The people should have the full advantage of the paper currency by its being made a constant currency. But if through length of time and constant passing from hand to hand without longer delay the words and figures on the notes became illegible, they should be allowed to be exchanged by a magistrate for new notes.

\* 少鈔, 小鈔.

† 交子.

*The Notes Called Hwei-tsi.*

Paper money began to be used more systematically than before about A. D. 1208, in the southern kingdom under the Sung dynasty, when the capital was at Hangchow. The war carried on with North China, at that time ruled by the Kin Tartars, demanded a heavy expenditure. The copper mines seemed to be exhausted and government credit was sufficiently good to warrant a paper currency. The paper notes then issued by the government were some of them called Hwei-tsi,\* and others Kwan-tsi.† At that time government notes circulating in Szechwen were called Chwen-yin‡ and those in Hupei were known as Hu-hwei. In those days Hunan and Hupei constituted one province called Hu-kwang.

*The Notes Called Ch'wen-yin.*

The Ch'wen-yin bank notes were first used in 1218, during the Hangchow Sung dynasty, to pay troops. The issue amounted to five million cash in face value. They circulated in Szechwen only. In the year 1238 notes of the kind called Tsi-tsê-hwei-tsi§ and representing seven million cash, were put in circulation in Szechwen with a limit of three years to run. After this, in 1255, notes of the face value of the million cash were circulated in Szechwen. In 1249 the treasurer of Szechwen represented to the Hangchow government that a ten years' term would be better than three years. He asked for a supply of this class of notes. Since A. D. 1205, he said, when war began, by which he means the struggle between the southern Sung and the Kin Tartars, the supply of bank notes was not sufficient. The old notes required to be changed within three years. He recommended ten years as the limit of time during which they could be presented for cash payment or exchange for new notes. Also he advised that the notes should circulate over a wider area. One prefecture was not sufficient. The notes might circulate over two or three. If

\* 會子.

† 關子.

‡ 川引.

§ 銅鑾會子.

this were made known by edict the people would feel confidence in the notes. This happened in China about forty years before Marco Polo's time. The reigning Emperor gave the order accordingly.

In A. D. 1269 the Szechwen government notes were allowed to be made at the capital of the province. Previous to this, A. D. 1256, the Emperor had been informed respecting irregularities in the paper currency of Szechwen arising from their being manufactured at the capital of the province and through their not being accepted in payment of taxes. It would be better to have the bank note block made at Hangchow. They should be of the value of 700 cash for 1,000 and seventy cash for 100 in face value, to circulate in the district cities and sub-prefectures of Szechwen and be valid as legal payment officially and privately. As they circulated the old Szechwen yin should be destroyed. The silver notes now in use were to continue as legal tender for a time. When the old notes were all given up in exchange for new ones and the new notes were limited in extent of issue, the result would be that the paper money would be fresh and unworn and the price of goods would not rise. The Emperor adopted the proposal. The bank note block was prepared at Hangchow and sent to Cheng-tu to be in charge of the Salt Commissioner\* Yün Sī. The governor of the province then sent the paper needed to the treasurer, who superintended the printing of the notes. When this was done the notes were to be sent to the governor for distribution. The whole number for a year was authorized.

#### *The Notes Called Kwan-tsi.†*

In 1263 the money office in Hangchow, Wei-tsi-k'u,‡ was ordered to have a note engraved. In it there were three sections. The limit of issue was stated to be 20,000,000.

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\*運司

†關子.

‡會子庫.

This apparently means that twenty million cash was the limit of issue. The notes represented amounts of copper cash.

In 1265 a new emperor, Tu Tsung, had mounted the throne. Kia Si-tau was Prime Minister. His surname 賈 furnished a model for the cash note. The upper section was 西 with thick black strokes. In the centre was 目 mu, eye, consisting of three red stamps placed length ways. The two strokes at the foot of 賈 were represented by two oblong black seals. Such were the bank notes of the thirteenth century, before the Mongol conquest of China, when the country was divided into a northern and southern empire. The Prime Minister Kia Si-tau has a very bad reputation. The edict of 1264 said the rise of prices was caused by the public want of confidence in the paper money then in circulation. The issue was too large. To remedy this evil the old system\* was reverted to. One hundred, and seventy-seven were taken as a hundred. They corresponded to three thousand in the paper currency employed to circulate over eighteen defined areas. The officers, civil and military, all asked to be paid in ready cash and in Kwan-tsi notes. This was done. Kia Si-tau made cash in the form of notes correspond to silver in the form of notes (kwan). One answered to three of the hwei tickets which circulated over the eighteen defined areas.

In 1265 the minister issued a false edict at the death of Li Tsung, announcing that the Hwei notes were not to circulate.

The Kwan-tsi notes were to circulate only in seventeen of the defined areas. The place of Hwei-tsi was to be taken by the *kwan* notes. To this Lü Kang, the inspector of the office where the notes were printed, strongly objected, but he was not listened to. The consequence was that the use of the kwan silver notes raised the price of articles very rapidly and the notes representing copper cash fell in market value.

\*每百七十七足陌以準十八楮三千中興舊法 Chung-hing-kieu-fa. Chung, central, means here the middle of the Sung dynasty

The Kwan-tsi notes were first issued in 1131, and this currency was therefore known as the old system. The eighteen defined areas can only be prefectures or larger areas of country. In Szechwen and in Hu-kwang there would be this number of prefectures in the Sung dynasty.

***Limit of Note Circulation.***

Among the causes which rendered paper money necessary was the illegal export to Japan of government cash. This is mentioned A.D. 1223 as an evil which was in existence, although contrary to law.

In the empire of the Golden Tartars in 1192 an effort was made to limit the number of notes circulating among the people. Their face value ought not be above the number of copper cash in circulation at the same time. In 1193 it was found that in Shensi the discrepancy was very manifest. The methods used to diminish the too great number of notes in that province were as here follows: In levying duties at the custom houses, in payments to troops and salaries to officers the various kinds of money were received and given out in equal proportions so far as possible. When payments were made half were in metallic coin and half in paper money. If silver and copper coins were scarce the whole payment was made in notes, and of these there were two kinds. The copper cash notes and the notes representing silver were paid out in due proportion, so that there should not be too many of either kind.

***Banker's Charge for New Notes in Exchange for Old.***

In 1197 a rule was made that fifteen cash should be paid as banker's charge for supplying a new note in place of an old defaced one of one thousand cash full value. Thirty cash were paid for notes representing two thousand cash.

In 1183 the rule was altered and eight cash were charged for the expense of changing the note without reference to the



number of cash represented by it. It was soon found that this amounted to no official advantage as a perquisite. It also operated against the circulation of the notes. The charge for exchange was therefore made twelve cash for each thousand cash represented by the notes. In the year 1205 the Emperor ordered the twelve cash charge for writing out a new note to be abolished. In place of it he directed that there should be a charge of six cash for each thousand represented by a note to be collected as a tax to meet the expense of printing the notes. This was afterwards in accordance with the advice of the very influential Kan Ju-li changed to a fixed charge of two cash for each note, whatever its face value might be.

*Proportionate Payment of Silver and Notes.*

In the 11th month of the same year the Prime Minister\* recommended that silver and notes should be given out in equal proportions as salaries and as soldiers' pay. Each mass of silver weighing fifty taels passed for 100,000 cash. This made 2,000 cash the price in copper cash of one ounce of silver. The old value in the Tang dynasty, A.D. 700, was: copper, one; silver, 100; gold, 1,000. In five centuries silver had greatly increased in value. The result was that silver coins were for the first time made about A.D. 1183. There were five kinds, weighing one, two, three, five, and ten taels respectively. Each tael passed for 2,000 cash. They could be used as official and commercial currency and served equally as metallic reserve for the paper notes. Singularly enough this silver coinage only lasted three years. It was called Ch'eng-an, current money.† The cause of this currency failure was the multitude of instances of fraudulent cutting out of portions of silver and the loss in weight and market value resulting. Many persons made imitation coins of copper and tin, which were soon detected. In June, 1209, an edict recalled the silver

\* 尚書省.

† 承安通寶.

coins which henceforth were not legal tender. It was about this time that the Yuen-pau silver of modern China came first into use.

*Origin of Yuen-pau Silver.*

The Yuen-pau silver was so called from the Yuen dynasty, during which the name was first given. In the year 1198, in North China, an office called Hwei-yi-wu,\* for exchanging currency notes, was instituted with the intention to render the notes acceptable among the people, who found the manager accessible and not like the magistrate, who is surrounded by greedy underlings and cannot himself be easily approached.

*Plans Proposed for Sustaining the Market Value of Paper Notes.*

In 1201 it was decided that the people in supporting the troops engaged in police duties on the roads, as messengers and as guards placed at the passage of rivers, may pay half in cash and half in silver. It was also allowed that they may use currency notes in payment; these notes representing copper cash. A memorial was presented by the prefect of Tung-chow on the currency question. The notes were in circulation, but the price of silver was not fixed. Officially a shoe was to pass for 100,000 cash, but in the market it only realized 80,000. There were more issued than should have been. The recommendation he gave was that silver, copper cash, and cash notes should be legal tender in equal proportions. The Emperor referred the point to all the chief officers for their consideration. The Prime Minister said it will be best for the treasury officers to receive seven-tenths in notes. This will cause them to circulate easily in course of time. To require an equal amount of each would cause much trouble at every payment in weighing and circulating. In order to lower the irregularity in the market price of silver he said it would be well to require that the army and police tax should in every province

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\* 回易務.

be paid half in silver, but if the people had no silver they might pay the tax in cash and in notes.

In the year 1203 the President of the Board of Revenue was Sun To. He recommended the abolition of the notes called San-ho-t'ung-ch'an.\* The section on currency and commerce in the Kin history says that from this time the state was without money and the people were poor. Neither government nor trader had what they needed. Paper currency was a delusive measure which led the people to think themselves rich when they were really poor. Such a system could not last long. The San-ho may have meant silver, copper, and notes. At first they were employed officially and among the people. The official treasurers and magistrates ceased to receive them. The people continued to use them. At last the Emperor thought the magistrates were treating the people badly, and issued an order that one-tenth of each kind of tax should be paid in the San-ho-t'ung notes. After a time one-half of the contribution required to support the road police was allowed to be paid in notes. But the system failed. When the Emperor ordered the Prime Minister and the Vice-President of the Board of Revenue to consider what could be done, the result was the abandonment of this form of currency.

In 1206, in the province of Shensi, an attempt was made to strengthen paper currency by throwing on the market 100,000,000 cash as a reserve for paper notes. In addition a smaller kind of notes, Siau-ch'au, were placed in circulation, representing another hundred million cash. The other provinces followed this example.

The Board of Revenue in 1204 said in a memorial that it was found convenient to print notes of a small size as being easy to carry on the person. These small notes were first spoken of in 1154. There were four paper currency treasuries known as Si-k'u. One was called Ch'au-yin-k'u.† Another

\* 三合同鈔.

† 鈔引庫.

was known as Kiau-ch'au-k'u.\* The imperial library has the name the four treasuries, and this name possibly originated in the Kin dynasty. The Manchus were fond of imitating the fashions of the Kin dynasty, because they came from the same Tungusic stock.

The small notes could, when brought by the people to the paper currency treasury, be changed for ready money. The Board added that it was time to cease the issue of small paper notes. No more need be made, and the four paper currency offices could be closed. At the same time the large notes, when brought for payment, were exchanged for the number of cash they represented. To this the Emperor gave his consent.

After a time we again hear of small notes in circulation in the various provinces of North China. They were in use in Peking and Pao-ting-fu, in Kai-feng-fu, Kwei-tê-fu, Ho-nan-fu, Tsing-chow-fu, Tsi-nan-fu, etc., in Manchuria and in Shan-si. The Board of Revenue printed them and they were convertible with copper cash.

#### *Paper Currency Legislation.*

In 1207 Kau Ju-li, President of the Board of Revenue, compiled a book of regulations for guidance in the manufacture and use of paper notes. Large and small notes were put in circulation. Previous to this five kinds of small notes were in circulation. The Emperor said: Do not again give utterance to the statement that paper notes are not to be esteemed as valuable. Rather look on them as superior to cash when used in exchanges. He ordered that the people in pawning articles and in buying and selling should for any sum above 1,000 cash, use paper money, that is, the notes called Kiau-ch'au† and not copper cash. When contracts are written, goods of various kinds are to form the third of the amount stated. Another passage in the history says that when goods of

\* 交鈔庫. V. K. in History, ch. 54, p. 5.

† 交鈔.

various kinds are bought or sold they should constitute six-tenths of the whole. In Lieu-pan-shan, Si-liau, and Ho-tung, one-fifth should be the proportion for paper notes.

Farther eastward, where soldiers have land assigned them to cultivate, the proportion of paper money should be one-sixth apparently, because soldiers would grumble if they received a large amount of their pay in notes.

In cases where there was no written contract, as in the country now known as inner Manchuria, paper money or copper cash could be used without restriction as to the proportion of one to the other.

Those who break currency laws are to be banished from their own home for two years. Those who give information are rewarded, and the amount of the reward depends on the importance of the information they give. Those in whose charge they are placed are liable to be beaten and are deprived of their rank. Any magistrates who successfully promote the circulation of the government notes will be rewarded, and those who fail to do so are liable to punishment. These details occurring in the history plainly show what difficulties were encountered in the effort to render the paper currency a success.

Should any persons collect a mob and attempt to resist the carrying out of the law they should be proceeded against as opposing the action of the government. Traders were not allowed to carry with them on their journeys more than ten strings of cash.

Note inspectors were appointed, who possessed a seal of office. They were found in every town and city. They also examined into the native places of officers and the genuineness of the titles. The number of cash in the possession of any one was limited. If any person possessed too many he could send them to the magistrate and have them changed for notes. Not more than ten thousand cash were permitted to leave the

metropolis at one time. Two cash for every thousand were allowed as a fee to the appraising officer. But the fees were not to exceed six cash. Every day the officer visited the markets to learn if there was any obstruction to the note circulation. He reported to the commissioner. For the salt tax, silver or silk could be used in payment. For other transactions and for official salaries the ordinary notes could be used. For surplus quantities, the small kind of notes were employed. Also, when silver and packages of silk were insufficient as payment, notes made up the remainder.

***Currency Reciprocity between the Sung and Kin Kingdoms.***

In the Sung dynasty the notes were called Hwei-tsü, and those also under the Kin Tartars were allowed in payment. But no one must carry with him more than 10,000 cash worth of notes. This rule was made at the instance of Kau Ju-li, the Minister.

***Exchange of Old Notes. Endorsement.***

When notes became indistinct they were exchanged at the paper note office for new notes. We learn that the Emperor in November, 1207, asked the minister what should be done in country places when notes needed to be renewed. The Minister Kau replied that the owner of the notes should go to the nearest magistrate who had charge of revenue collections for the district. He employs an inspector of notes. Notes may be genuine, though indistinct through friction. They can be received in payment of taxes. At most cities there is a class of exchangers who travel. Old notes can be exchanged by them for new ones. These exchangers write out exchange contracts. Yet there are cities where these brokers are not found. In that case old notes may be taken to the district magistrates treasury. The officer in charge endorses the notes on the back, writing his name. They are not used in payment but are kept for the half yearly transmission to the capital. They are exchanged in the capital for new notes.



This is an interesting example of the fact that in A.D. 1209 the practice of endorsement of bank notes existed in China. A certain part of the work which is now done by bankers was at that time done by the revenue officer in charge of the city magistrate's treasury. Notes were issued by the government in the metropolis and were used in country cities in payment of taxes. The officer named Chwen Yün-sī conveyed money to the capital and brought notes back. The transmission of money is now done by bankers usually but not universally.

*Office for Issuing Notes in Each City.*

In January, 1208, an order was made that an official exchange office should be opened in the market place of each city for giving out paper notes. Kau Ju-li said it was not advisable to issue notes at the magistrate's office. These offices were, through the rapacity of underlings, not easily accessible to the common people. Cities with 100,000 householders should issue not more than 30,000 strings worth of notes. Two notes representing one string of 1,000 cash each were exchanged for cash on application, but no one must receive more than two strings. The broker's charge of fifteen cash for each thousand would maintain the broker K'ü Tien,\* who was responsible to the officer in charge of the exchange office. The officers might be the sub-prefect† and the conveyance officer.‡ This officer, Chwen-yün-sī, was a sort of currency commissioner or revenue collector. The Emperor accepted this proposal and made it law, but it did not continue long in operation. In November, 1208, Sun To stated in a memorial that the magistrates used their influence to make trouble. They bought notes and added to the number in circulation. The official broker offices were abolished, and it was decided that people

\*庫典. †州府佐貳, Chow-fu-tso-er, assistant prefect. ‡轉運司, Chwen Yün-sī. Treasurers now convey money to localities where it is required.

must go to the treasury at the capital of the province to exchange old notes for new.

***Large Notes Limited to Official Use.***

After a time another change was made. The large notes were to be limited to official use. The people when they had five or ten strings, might go to the treasury and have them exchanged for small notes. When they wished for copper cash a thousand were given for notes of the face value of five thousand.\* Two thousand were given for notes of the face value of ten thousand. Only in Liau-tung (Manchuria) there was no restriction. In other provinces when duties and miscellaneous taxes were to be paid, the rule was to be based on a division of three. One of these consisted of ten notes of the face value of ten thousand. The other two were formed of notes representing 500 or 1,000 cash each. The remaining seven parts were paid in ready to hand cash. The next year, 1208, the large notes were all called in and destroyed. The only notes circulated were the small ones. In February difficulty was encountered in the circulation of the paper notes. Rewards were promised to those officers who promoted the use of the notes and punishments were threatened to those who failed to do so. In August, 1207, the duty of chief manager of the paper currency was assigned to the judge of each province. The judge of northern Honan refused to receive notes representing a thousand cash. He required copper cash, because paper money was not acceptable among the people. On this account he was impeached by a censor for impeding the success of paper currency. The Emperor dismissed him from the service for himself breaking the law, which it was his duty to instruct men to observe. From this time it became a habit of the administration to promote or

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\* The Kin history says those who had five strings in notes received one string in cash. Those who had ten strings (kwan) in notes received two strings, 緡 min, in cash. V. chapter 48, page 13.

degrade officers according to their zeal or want of zeal in pushing the circulation of the currency notes. The censors of the metropolis were equal in rank to the judge of a province. The prefect of Peking has under him police officers who have charge of the office known as King-siün-yuen,\* and they are equal in rank with the magistrates of cities in the provinces.

***Kiau-chau and Small Notes are Legal Tender Everywhere.***

In November, 1208, it was decided that the Kiau-ch'au and the small notes should be legal tender in all the provinces. They were to be freely received in payment of taxes. The memorialist who persuaded the Emperor Chang Tsung to adopt this course was Sun To. He said that the best method to induce the people to accept paper currency at full value is to render it legal tender everywhere in payment of taxes of all sorts. The grain formed the people's tribute along with paper money.

In January, 1209, the Prime Minister stated to the Emperor that according to the old rule the officers and soldiers received paper notes as pay. To make up the amount due cash must be added when necessary. Soldiers received three-tenths, officers and persons on duty received two-tenths, but the rule was that no one must receive in cash more than ten strings. The people might take their old worn notes to the treasury that they might be exchanged for new ones.

Should any men of influence buy old notes at a cheap rate and carry them to the currency office, Yuen-wu,† to change them for new ones in order to make a profit, such an act was treated as wilful opposition to the governing authority, and was made the subject of investigation by an officer specially sent to each province.

In March, 1214, more of the Kiau-ch'au notes were made; some of them representing a thousand strings of cash. This class of notes had become unpopular, but the repairs of the Yellow River turned the scale in their favour. A prince

\* 警巡院. † 院務. Name of an office under the Kin Emperors.

took with him eighty-four wagon loads of paper notes and proceeded to the spot where soldiers were working to reward them with these notes. Disasters occurred which gave no leisure to consider the defects of paper currency. The people admitted the advantage of this sort of currency, looking only on the bright side. Notes were circulated representing twenty, a hundred, two hundred, and a thousand strings of cash. They met with a prosperity which, however, was only temporary. From the beginning of the twelfth century repeated efforts were made to strengthen the notes in public estimation, yet after a few years they became hopelessly unpopular. Often there was war and the soldiers had no rest. The burden of taxation on the people was heavy, and they were not in a mood to regard the paper notes with favour.

In June of the year 1215 the governor of Shensi asked for paper note blocks to be sent from Peking. The transmission of notes from Peking was too expensive and the journey too long. The troops were paid in Kiau-ch'au notes. For convenience and economy the manufacture of notes in Shensi was preferred. In August of the same year the name Kiau-ch'au was changed to Cheng-yeu-pau-c'huien.\* Special rewards were announced to those officers who favoured their circulation, and punishments of a severe kind were threatened to those who in any way discouraged the advance of the notes to universal acceptance. New honors were promised to officers who arrested makers of counterfeit notes.

#### *Currency in Peking.*

In the ensuing October the Court of Censors complained of the fall in price of the new Kiau-ch'au notes. The notes with the new name were intended to restore confidence, but this they feared would not prove to be sufficient. As the issue went on and the number in circulation increased the people

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\* 貞祐寶券.

would esteem them as no better than the old Kiau-ch'au, and their price would fall. An order was given that the people frequenting the markets, should exchange their goods for these notes at current rates on pain of legal proceedings if they disobeyed. Rewards were promised to informers. Traders were forbidden to raise the price of goods. The price was to be fixed once a month. The prices of articles varied sometimes between morning and evening. This irregularity it was the aim of magistrates to repress, but the result was often that business ceased to be transacted. The traders stayed at home. Articles for consumption were not brought. Peking was in sore need of these articles and their price rose rapidly. Living became most expensive. To relieve the people the Court of Censors said it will be best for the magistrates to buy articles at a moderate price and as to all confiscated goods to keep in view the market price as a guide in selling them to the people.

*Currency in Kai-feng-fu.*

In 1216 in the month of April the exchange office Hwei-yi-wu\* was restored in Kai-feng-fu. A reader in the Han-lin-chau-ping-wen said of late the government paper notes have not received public support and the reason is that it is believed that the government is about to change the system. The people wrongly suppose that there will soon be no paper notes. From the time of the return of the court to Kai-feng-fu the exchange office ceased to do business. My advice is to reestablish this office. The manager should be of a recognised rank. He should have a supply of silver notes and negotiate exchanges with millet, wheat, and raw and woven silk. He should receive them at his discretion as appraiser. If after half a year it should be found that the manager of the paper notes was successful and that he himself was without fault and

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\* 回易務.

the system practicable, the officer having this good record should be promoted in rank and raised to a higher post. This procedure the Emperor referred to his ministers to consult upon and report.

*Cheng Yeu Notes in the Whole Empire.*

A month later the Cheng Yeu notes were ordered to be unlimited in their circulation in all the provinces. Difficulty occurred in the following manner: The circulation in Northern Honan and Shensi was extensive. The people were pleased, and showed confidence in the notes, but as the number increased the people ceased to regard them favourably. The price fell, and when merchants took them to the capital in Peking to buy goods, expecting to make a large profit, the prices of all articles rose, so that those who brought them failed to obtain the profit they looked for. In January, 1216, there had been a diminution of the area of circulation. Notes in the northern prefectures of Chihli and Honan\* were not permitted to circulate in the other parts of Honan. To remedy prevailing evils a Shansi minister named Sü Ting recommended in a memorial that the Chang Yeu notes should be collected as a war tax from the people for the support of the army. But there should be no limitation in the area of circulation. The prohibition which prevented the use of Ho-pei notes in Honan† ought to be withdrawn. The chief minister supported Sü Ting in this view, and it was adopted. In the month of May, 1216, the Council of State was fully of the mind that the notes must be legal tender in all the nineteen provinces. The policy of the paper currency was at first hampered by local restrictions, which were gradually removed. But the power to prevent the growth of abuses was wanting. Another supply of cash was ordered to be made in 1217. It

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\* 河北 containing the prefectures and sub-prefectures Ho-kien, Shen-ki-ts'ang, all now in Chihli.

† 貞祐通寶, a new kind of paper currency for the empire.



was called Cheng-yen-t'ing-pau.\* The reason of this was that ministers felt alarm at the rapid sinking of the notes in market value. A note with the full value of 1,000 copper cash was exchanged for a few cash only. Some of the notes were of too light a texture. The people wished a stronger material. They hoarded copper cash and parted with notes as soon as they could, greatly fearing that they would be spoiled for use. The government paid money in notes, but received taxes in cash. The consequence was that the prices of goods rose and the value of currency notes fell. A better way it was argued should be adopted. The amount given out should be a measure of the amount collected from the people, who would learn by this procedure that the currency notes are really intended to continue in circulation. If they know that notes will be received in payment of taxes they will take great care of them and place on them a higher value. The refusal of tax collectors to accept notes had a bad effect on currency paper. Copper cash rose in value and currency paper fell. This was not the fault of the people. The notes were made by the government. The cheapness of notes is an evil that cannot be cured by making new ones. The new notes have a new name, but they will fall in market value just as the old notes did.

#### *Currency in Shensi.*

The defence commissioner of Lung-chow in Shensi,† Wan Yen-yü, was very decided in the recommendation that no more notes should be manufactured. Those now in circulation should not be drawn in. Should they sink in value the population returns should be consulted. An estimate should be made of the comparative capability of the people to pay taxes, and the amount of taxes should be calculated

\* In the time of the Kin dynasty, Hsiao was the southern part of Szechuan, called then 河東南路. That was the time, when there were nineteen provinces in the Nü-chi empire.

† 隴州防禦使.

accordingly.\* The Shensi chief inspector, Shī Hwei-ki, thought differently. Paper notes, he said, are a remedy for an evil. A time comes when they fall in market value. They circulate with cash, and when the tax gatherer collects a large amount of cash he gives out a small amount, but when the collection is large, the people suffer; and when they give out a small sum, the revenue suffers.

Both these results ought to be avoided. He advised the Emperor to have Cheng-yen-ting-pau notes manufactured. The lower represented 100 cash and the highest 3,000 cash. The notes of higher and lower value amounted to ten in all. The treasurer† of each province manufactured the notes, but not more than 5,000,000 cash worth. They were to circulate with the old notes.

#### *Cabinet Discussion on Paper Currency.*

The Emperor commanded the ministers to meet and state their views. Four of them said they advised a new manufacture of notes. Three thought that the amount of issue should be covered by the amount collected. A third opinion, that of the President of the Board of Revenue, was that no change should be made. The President of the Board of Works added that there is nothing to prevent two currencies from circulating together. The senior guardian of the heir apparent mentioned that the crime of obstructing the imperial currency should be severely punished. A censor said the issue of a new kind of note is to rob the people of their wealth. It is an evil not less real, because it acts invisibly. He preferred direct taxation. Direct taxation should not be a charge only on agriculture. This would be unfair. It would be a one-sided policy to tax only the

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\* 行省會. The Hing-sheng-ling travelled over the province to inspect. Sheng make inquiries.

† 轉運司. This officer received revenue and sent it to the capital. At present the private banker does this for the government and charges a fee for expenses.

trader and house keeper while the farmer on the land is allowed to go scot free. The incidence of taxation should be even on all sides. A clerk of the Board of Punishments here interjected a negative. No! It is the country people who hoard the copper cash and despise the currency notes. They ought to be taxed first and then naturally the area of tax collection can be widened as may be found necessary.

The Treasurer Wang Kwaug asked how much is required for the troops? Four hundred thousand piculs, he added, of rice and millet are needed. But it is possible to give them land to cultivate. This will lessen the burden on the people. Let the soldier take his share in field labour. The collection will be less onerous upon all if the soldier supports himself in part.

Some ministers proposed careful economy of expenditure, the cessation of pensions to persons without a just claim, the manufacture of large copper coins of the value of 100 cash each; lastly the production of very inexpensive small notes was recommended. The magistrate should give the right to appoint inferior officers. In regard to the last of these proposals the president of the Board of Office said the laws are good and sufficient, but officers do not obey them. He recommended that magistrates of the fourth class and under should have the right of scourging and deciding causes. All magistrates of the third class and above it should have the right of presenting memorials. Two censors should be appointed to make tours of inspection, but they must not alter laws or tax the people. They should have authority to exact obedience to their orders from all persons, high or low in position; severe punishment should be inflicted on delinquents.

The Emperor asked if it would be safe to give them this power? The prime minister proposed nothing practicable to meet the difficulty. Two censors remarked that the case was

one of by no means easy solution. The Emperor must see that the prime minister would inflict injury on the people.

It was after a month of thinking that the Emperor, much dissatisfied with the many differences in view among the ministers, at last decided to postpone the time of levying the taxes. He then adopted the proposal of Hwei Ki to issue a new currency note, the Cheng-yen-t'ing-pau. This was in 1217, and in March of that year the first issue was made. A thousand notes were equivalent to a million cash. An addition to the weight, or the crime of counterfeiting or of obstructing the circulation were punishable and rewards were offered for the capture of offenders. These changes in the form of notes were not successful. Failure was observable more plainly as time went on. There was a lack of mulberry tree bark which was bought from the people and was now hard to procure. How could the notes be made without it? The order was given to buy at a higher rate in proportion to the scarcity. The pau-k'wen certificates and the t'ung-pau certificates were known as the mulberry bark old paper money.\* The advantage of this currency was found in saving trouble in discussing the amount of the tax which was due and in reducing the tax gatherer's expenses.†

Kau Ju-li said the paper currency system in Honan is laborious and complicated. The taxes are three times more than formerly. The work involved cannot be less than it is. This year in June the state departments found that the year's collection of t'ung-pau of current money did not suffice for the expenditure. They decided to collect mulberry tree bark old paper notes from the people, amounting to 70,000,000 strings of cash. This was intended to make up the required revenue. Recently on account of a check in the circulation of

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\* 桑皮故紙錢 Sang-p'i-ku-chi-ts'ien.

† 可以免民輪輓之勞 K'o-i-mien-min-shu-wan-chi-lau it is possible to relieve the people from the trouble of paying sums requiring an effort.

the t'ung-pau money the issue was doubled. This affected two-thirds of the population. This year the collection of the land and grain tax was found to be insufficient. An order came saying: "If the people do not pay the land and grain tax their millet will be sold to obtain the amount of the tax," that is, they will lose what is to them the staff of life. We specially need hay for our horses, and it is with great difficulty that we can obtain it. Commercial notes, Kian-ch'au, are in circulation among the people, but with a limit of time. They can be had by waiting for them, and the manufacture of them is easy. The large sized notes, Ta-ch'au, come from the government, and they can be changed at will, because they are imperial notes and they constitute legal tender, but if the authority of the government compels the people to pay taxes in these what can they do? The answer to this inquiry was supplied by the facts. They sustained a severe check in circulation and were changed to small notes. Then the small notes were not welcomed and they were changed to pan-ch'uen\* currency notes. These again were checked in circulation and were exchanged for t'ung-pau.† The power to change the currency rests with the sovereign, and this need not be regarded as a grievance by the people. The support of the army needs to be undertaken by the people. If their contributions are not sufficient, it is at the option of the government to take a census, to estimate the expenditure, to examine the Customs' returns of taxes, and to inquire into the amount of saleable productions and the value of the assets of trading firms, Ki-sheng-chi-chi-yé.‡ When this is done additional taxation may be levied. If this is objected to on the ground that the people have not the money, they will migrate as the only alternative.

The people disappear, and there is no harvest contribution to the revenue, nor to the support of the army. The currency

\* 寶券. † 通寶. ‡ 計生殖之業.

law is ineffectual. In saying this I am not objecting to the currency system, nor am I disagreeing intentionally with the state departments. All I aim at is to point out in what way the fall in value of currency and the consequent rise in the prices of market articles constitute a serious evil, and how the forced migration of the people may be lightened in its extent and in what way the starvation of the troops may be prevented. At that time the Emperor did not follow the advice of Kau Ju-li, who explained his views in this elaborate manner.

*Loans to Farmers in the Sung Dynasty.*

The Sung dynasty was conservative in regard to currency and showed no haste in adopting paper money. The statesmen of that empire, except Wang An-shī and his school, preferred to govern on the old lines. The principles of Confucius for the most part guided the Emperors. They said to their counsellors, for example, it is not well to make taxes too heavy, or the people will emigrate. The land ought to be their own and taxation should be light that they may be a contented peasantry. The main point is the support of the army or the armed police and the civil government expenses. In the vicinity of the capital at Kai-feng-fu there were in A.D. 996 twenty-three cities. Two or three-tenths of the land were cultivated. Only five or six-tenths of the taxes were collected. The farmers hid themselves, and it was given out that they had migrated. The fact was that they were tired of ploughing and sowing when taxation was heavy, and preferred to become wanderers with nothing to do. The revenue declined and funds were lacking for the annual expenditure. Edicts were issued, encouraging the people to return to their lands. The Emperor forgave them the taxes due, but his benevolent desire was circumvented by the local magistrates and their subordinate officers. As soon as any farmer returned to his land the village constable reported the fact. An entry was made in



the magistrate's books. The tax gatherer arrived to demand payment of dues.

From a memorial of the Board of Revenue of A. D. 996, occupying twenty-two columns of the history, it is stated, in addition to the facts above given, that the victims of the tax gatherers' cruel pressure secure no benefit from the imperial clemency. The farmer migrates because of poverty, debt, and heavy taxation. When he is gone, his household furniture, farm buildings, mulberry trees, date trees, timber and other property are sold to pay his taxes and his creditors. He is invited to return by the Emperor's edict, but he comes to an empty plot of ground. He undertakes the requisite ploughing and the planting of mulberry trees. There must be irrigation, building, and the employment of constables, and so taxation must be deferred for three or five years. Should the farmer not be able to bear this expense the magistrate lends him a sum of money, or advances him grain for the support of his family and the use of a plough and other farming implements. This loan he must repay when he gathers in his harvest. When the accounts are paid a return to the Board of Revenue contains the particulars.

From this glimpse into the agricultural life of nine centuries ago it appears that the only banker who lent money to the farmer was the magistrate. This was the state of things thirty-six years after the conquest of China by the Sung Emperors. The Emperor Tai Tsung had ruled for twenty years. He was very pleased with the memorial and would have granted its prayer but for the opposition of other counsellors who represented that the money would be lost if the season were unfavourable. The risk would be great and the outlay too large for the treasury to sustain. But in 1127 the Emperor Kau Tsung, the first to establish the capital at Hangchow, gave orders to the governors of provinces that migrating farmers should be induced to return to the lands

they had left by the promise that they need not pay their taxes due, nor the duty on ploughing oxen. Money also was lent them to start anew the cultivation of the ground. In 1130 the same Emperor lent to the Lu-chow people in Anhwei 10,000 strings of cash to buy oxen. The people there had suffered greatly in the war through which all the country north of the Hwai river was lost to the Sung dynasty.

There had been much fighting in Hupei between the Golden Tartars and the Chinese. It was decided that when the fugitive farmers returned, if their land was possessed by tenants, an adjoining piece of land was given them if there was no occupier. During three years they need pay no taxes. When men without money asked for land it was given them. In 1131 the magistrates of Si-nen-chow and Tai-ping-chow and another city in Anhwei were ordered to restore the boundaries of the lands they governed when they needed repair. They were authorised to give out rice from the official granary as a temporary loan to meet the expense incurred by them in copper cash and labourer's rice, as well as the loans of seed grain advanced to country farmers.

In 1141 agriculture in Hwai-nan is mentioned. Land there is very fertile. The government bought oxen and lent them to farmers in that part of Kiangsu. Li Chun-nien urged that taxation should be a variable quantity and ought to be adapted to the locality. The land may be suitable for garden vegetables, for mulberry cultivation, or for orchards. This is called the locality (經界法 King-kiai-fa) system of Si-chwen. It becomes possible then to obtain in some parts of the province a taxation of fifty per cent. on the produce. In 1168 the Emperor Hiau Tsung, on account of the extensive area of waste land in Kiangnan and the failure of any attempt to levy land tax on incoming tenants, approved of a plan to grant land, oxen, plough, seeds and fifty thousand strings of cash, to be expended at the discretion of the

sub-prefect of Ch'u-chow city. He entrusted to two or three of the chief ministers the task of reducing the inequalities existing in taxation. They were to increase the cultivated area of land and to induce all fugitive farm labourers to return to their lands and attend to silk culture and field duties. The Emperor also assented to the proposal that in the prefectures of Soochow, Hu-chow and Chang-chow, where barriers are made to prevent water from flooding the farms, the public money and grain should be drawn upon to lend to farmers. They, through their guild secretaries, will undertake to add to the height and breadth of the barriers so that the protection from floods may be thoroughly effective.

***Government Banking Operations in the Tenth Century.***

The first Sung Emperor followed the custom of the Tang dynasty in adopting paper currency in the form called Flying Money. The people were authorized to pay cash in Kai-feng-fu and receive tickets or bank drafts. Returning to some city they could, on showing the Fei-tsien ticket, receive the amount named. For cities of no trade, off the great routes, they could name some city which could be conveniently reached. Thus the currency coin of the capital increased in quantity and was made more widely useful. In provincial cities taxes were paid in cash and the treasurer could either give cash on receiving the *Fei-tsien* tickets or substitute silk or other articles in place of current coin.

This Emperor came to the throne A.D. 960. Previously it was allowed to the people to bring current coin to the government treasury and the money could be returned to them in provincial cities. The trader came to the officer and received a ticket, which was a sort of bill of exchange. The officer charged him two per cent. as a commission. In 970 an office named *Pien-ts'ien-wu*, official exchange office, was established.

\*飛錢 Fei-ts'ien.

†使錢務.

Traders could deposit money in it. A certificate was given to them. They presented it to the treasury the same day and received a treasurer's circular letter. This the trader took with him to the magistrate of any city, who was directed by the circular to pay without delay the amount named. If the magistrate failed to do this he became subject to a certain penalty. The amount of money represented by these bills of exchange, as they may be called, was in the year 997, 1,700,000 strings of cash. In 1017 it was increased by 1,230,000 strings.

Paper bank notes had already become current among the traders of the province of Si-chwen because of the great weight of iron coins then used in that part of China. The notes were called Kiau-tsï,\* and they were found very convenient by commercial men. They were issued by a guild of sixteen traders. After a time funds were lacking. The members of the guild could not pay what they owed, and many actions at law were originated to enforce payment. Kow Kien, a prefect, asked the Emperor to forbid the use of the notes, but the treasurer gave it as his opinion that the abolition of bank notes would be unwise. He recommended that the issue of notes should be taken out of the hands of traders and that the official administration of the province should issue notes from an office—Kiau-tsï-wu—† in Ch'eng-tu-fu, then called Ti-chow. To this proposal the Emperor consented.

There has been in China always a great readiness on the part of the official class to undertake the duties of traders when the amounts due to the government from guild managers have not been paid at the time fixed by contract. Traders are very willing to collect taxes for the government, and government officers are very willing to act as bankers for the people. The government treasury appears in the two preceding paragraphs to have undertaken to give bank drafts in

\* 交子.    † 交子務.

one city which were cashed on demand in another city. The use of paper currency in China was the result of this extension of the sphere of government action. It is not wise to allow government officers to trade with government money. The failure of paper currency in China was caused by the intrusion of government officials into the domain of commercial men. The two per cent. commission mentioned above is stated by the historian to have been too often privately appropriated by the officer who demanded it.

### *Trade in the Ninth Century.*

The trade of China at the beginning of the ninth century, the history tells us, needed some addition to copper coins. Ma Twan-lin says: \* The Emperor Hien Tsung (806 to 821), on account of the scarcity of cash, issued an edict prohibiting the manufacture of copper implements, such as basins and kettles. At this time traders brought their coin to the capital and presented it at the official treasury. Traders on their journeys preferred light baggage, and paper notes suited them. These notes were called Ho-ch'iuen † or Fei-t'sien. Fei Wu, prefect of Kai-feng-fu, prayed the Emperor to prohibit the search for Fei-t'sien at barriers in passengers' luggage, but he recommended that it should be made binding on traders that they must have ten sureties.

At this time the number of strings of cash annually issued from the various mints amounted to 135,000. An order was promulgated, making it binding on traders to bring out their hoards of cash and purchase goods on a large scale. Thus the current coin would be increased for the benefit of commerce.

### *The Government Banking Scheme of Wang An-shi.*

In the eleventh century, in the reign of Shen Tsung, Chang Fang-p'ing was one of those statesmen who lifted up his

\* Wen-hien-tung-kau, S. 25      † 合券

voice against the reckless finance of Wang An-shih. Every year, he said, a million strings of cash came from the Imperial foundries. The taxes on tea, salt, and wine produced 50,000,000 strings. The expenditure on worship was large. Pensions were a considerable item. Before A.D. 1004 the revenue amounted to fifteen million strings of cash. With this revenue the second Sung sovereign was able to support his army, and with it to reduce the empire to a state of peace. He had to fight the Kietan tribes on the north-western frontier. Under his successor, Chen Tsung, though the expenses of the administration on sacrifices and royal progresses were great, no additional taxation was levied on the people. During the forty years' reign of Jen Tsung there was great prosperity. Between 1004 and 1041 the wealth of the country increased three-fold, and with it the population grew rapidly. Will not your Majesty, this minister argued, be content without initiating a series of dangerous changes in policy? To employ money as a bribe, to engage the people to work for the State, is to inflict injury on the administration. If I take as an example the seven district cities round the metropolis, they contain 67,000 families. They produce, by their labour, 152,000 piculs of rice and wheat. They weave 40,700 pieces of silk. They give all this to the government. Such is the fruit of field and silk culture in the old way. The additional taxes in money yield to the State 113,000 strings of copper cash. When copper cash are wanting millet and silk stuff are given instead. The house tax amounting to 5,000 strings is, however, always collected in cash. Such is the old system of taxation transmitted to us from our ancestors during 2,000 years. Under the Five Dynasties which succeeded the Tang period there was still no change in the system, but now personal service due to the State is rendered in money each year, and the amount of cash collected is 75,300 strings. The system which has lasted through so many ages is now thought to be unwise, and cash to the



amount of 83,600\* strings it is proposed to distribute among the farmers with the intention to secure a profit of 16,600 strings. But this amount cannot be collected, and only 3,000 strings are actually received. Another measure proposed by Wang An-shi was to withdraw the edict which forbade the export of copper cash. This was to encourage the sale of copper and to allow it to become the property of foreign nations. This policy is a mistake, because the Imperial cash will be melted down in large quantities; few new cash will be made, and a scarcity of copper currency will be felt. It is the duty of the State to provide currency in order of stimulate trade and promote the revenue in a legitimate way.

Su Tung-po praises Chang Fang-p'ing highly in a memorial of 1086 when Chê Tsung was on the throne. On account of old age he had then retired with the title T'ai-tsi-t'ai-pan. There had been war in Western China. The policy of Chang Fang-p'ing during his long term of service under four Emperors, was in favour of peace with Tibet. In making peace the Emperor Shen Tsung adopted his advice. In 1068, in the beginning of the reign of Shen Tsung, he recommended that the plans of Wang An-shi should not be accepted. His new methods were unworthy of adoption and would be most mischievous in their results. Shen Tsung knew men and raised Chang Fang-p'ing to the highest post in the government. When on account of mourning he needed to retire he suffered no loss of honour, though Wang An-shi and his party were displeased. He retired and has now an affection of the eyes. He with Wen Yen-po and Fan Chen are very eminent for their literary gifts. These two scholars are still in the public service at court. Fang Ping, although he is old, should receive some reward for his long and faithful discharge of a statesman's duties.†

\* This was the Tsing-mien distribution of cash lent to farmers according to the advice of Wang An-shi.

† Collection of writings of Tung Po, 27, 17, F L.

*Scheme of Taxation proposed by Su Tung-po.*

Su Tung-po in 1085 addressed the throne on granting land to farmers and paying workmen employed on public lands. He said that the late Emperors had arranged that in levying the Kwan-sheng tax it should not exceed two cash in a thousand. This money would assist farmers in times of scarcity. If the officers carried out the new system very vigorously it still extended to not more than four-tenths or one-half of the country. But the system has already lasted sixteen or seventeen years and as many as 30,000,000 strings of cash or grain have been added to the revenue in money or in rice. The Emperor was sincere in his desire to benefit the people, but they in their ignorance said the Emperor professed to relieve the people of forced service, yet in fact his object was to levy upon them heavier taxes than before. To me it appears that the money in question was obtained by the labour of the people. It ought to be returned to them. The Emperor is no more living. The people do not know what his real intention was. They only know he had received revenue. They did not know his benevolent intention in distributing it. Now I beg your Majesty, the Dowager Empress, and your Majesty, the Emperor, to carry out the intention of the late sovereign and distribute the money. By this gracious act the complaints of the unthinking crowd will be made to cease. I note that the late sovereign during the ten years of his reign when directing that land should be given to farmers and that men should be specially engaged to labour for the State, meant official land, and that the surplus money distributed in payment for the land of the people should be used in the support of special workmen to relieve the people from personal service. The system resembled that of the frontier, where soldiers are supplied with bow and arrows. When I was magistrate at Kau-mi-chow I acted on the same plan. I at once engaged soldiers. The people were pleased, because they were relieved.

In half a year I had to abandon the plan. The late Emperor wished to inaugurate such a policy. The ministers were agreed that it should be speedily carried out. The profit was great, and there would be a surplus to devote to other uses. But opposition arose. Difficulties were suggested and the policy was abandoned. Yet in my opinion five advantages would result from this policy. If the government relieve the people from forced labour, each new paid farm worker will mean one less of those who laboured by compulsion. The more money is collected the more land will be bought, and the more paid labourers will be employed. After a few years the money required to hire labourers will be much less in amount. Supposing that men are hired to work for the State every one will relieve another who was by the old law compelled to work. Being free from personal service, the people will find their income increased. 2. The new class of farmers engaged to work will, like soldiers, find that out of their labour on the official land they obtain food and clothing. They become loyal to the laws and feel no temptation to migrate. 3. At present grain is cheap, and farmers make small profits. They therefore sell their land and are unhappy if they cannot do so. The magistrates buy their land and the price of land and grain rises, and this adds to the annual profit of the farmer. 4. When the official treasury receives more cash and the cash so collected is used in buying land, money ceases to be too much in request and goods and money become more equally proportioned to each other. Beside these four advantages there should also be mentioned a fifth. The people will learn to appreciate the benevolent thought of the late Emperor in the use he proposed to make of the surplus taxes which he collected from them. He intended them for their benefit. Their injurious remarks on the imperial policy will cease and the virtue of the sovereign will shine brightly before all the people.

Yet the memorialist adds there are two dangers in this policy. Greedy officers and their crafty followers will buy worthless land from the people. They will engage indolent farmers who will neglect their work, grow weary of it, and after a year or six months give it up and disappear. Another danger to be feared is that people through being unmindful of coming misfortune may too eagerly sell their land and become mere paid labourers. When they part with the land they cease to be proprietors. The loss may not be felt at first, but they and their descendants instead of being independent are supported by the State. This is truly a calamity. What is needed is to arrange for the avoidance of these two dangers and so carry out the late Emperor's benevolent policy.

Su Tung-po adds that the loans to farmers should not be abandoned. The surplus money collected amounted to thirty million strings of cash. If this were used to buy land the quantity of land would be by no means great. Nearly half of the money had gone to the army on account of recent wars. This loan to the army should be paid back by the treasury. There would then remain the original 30,000,000 strings of cash and a store of rice to use in Honan, Chihli, and Shensi in granting land to farmers and employing labour. Within from five to seven years the amount would be reduced more than one-half. The farmers would become well-to-do and ready to meet the bad harvests which might occur.

At present soldiers have armour and horses provided for them. In addition two hundred mow of land will suffice for one superior soldier and another hundred mow will supply a subordinate soldier. Thirty million strings of cash will be sufficient.

The memorialist proposed twelve measures, which he recommended for adoption by the Emperor:—

1. The grant of land should not be subject to land tax. The summer and autumn grain tax would still be levied, but there would be no other dues.

2. Should the land, whether 100 or 200 mow, be not of good quality, more could be added at the time of allotment. On this matter the officers in charge would decide.

3. Should officers be guilty of forcing the people to buy land, or should they engage worthless characters to farm the official land, there should be punishments awarded. They should not be allowed to buy land poor in productiveness, or to be negligent in carrying out the plan.

4. The labourers engaged should be natives of each place. The official land bought must be reasonably near the magistracy. It must not be so distant as to render labour difficult to secure.

5. The magistrate sends a deputy to examine the land offered. If really good and sufficiently near it can be bought. If the official price is too low the owner can sell it to a private person. Should the land bought be too poor to be worked the officer who negotiated it must be punished.

6. Responsible persons must be sureties for the farmer who enters into an engagement. Should he secretly migrate within seven years the surety must take up the labour for which he is responsible.

7. When men are engaged to work on public land they receive payment from the time they commence working.

8. When land is sold to the magistrate the seller gives over the property to the incoming tenant. Men belonging to the seller's household cannot become working tenants.

9. When the labourer grows old, or is sick, or dies, or disappears, or is guilty of some crime leading to his arrest and punishment, the men belonging to the seller's family are to be compelled to take his work. If there are no such men, other persons must be engaged.

10. Half a year is allowed to the incoming tenants to weed the land and prepare it for cultivation.

11. Confiscated and other public land must not be sold by the new tenant.

12. Farmers engaged to cultivate public land will be asked if they have men who will labour upon the land in conformity with the new arrangements. If they are unwilling to undertake the duties, other occupants of the land must be sought.

Su Tung-po, when closing this memorial, treats on the objections which may be brought against it. 1. The effort to obtain workmen would fail, because the plan was impracticable. 2. The K'wan-sheng (surplus) tax should be retained for other uses and not expended in payment of labour. He replies that the land tax is remitted, but the summer and autumn grain taxes are retained. Labourers will work for payment just as soldiers enlist for payment. The Kwan-sheng tax is not a part of the regular revenue, and as such incapable of being detached. It will be well to use it in buying land and engaging labourers, just as persons having gold and silver can, with it, buy land and obtain property which will always be their own and that of their descendants. He begs the Emperor as a filial son to carry out the design of his imperial father Shen Tsung just as Chow Kung and Wen Wang realized in practice the political ideas of Wen Wang, their father.

#### *The Finance of Wang An-shi.*

Wang An-shi was made a prime minister under the Emperor Shen Tsung, who reigned A.D. 1068 to 1086. He was first recommended for promotion by Ow Yang-sien and later by Wen Yen-po, both of them eminent scholars. Wang An-shi believed that great financial changes were required. In 1058 he presented a memorial, in which he said that money was sadly wanting among the people. They were in a depressing state of poverty. The rules of finance of the former



Emperors were forgotten. This was when Jen Tsung\* was still reigning. The memorial contained 10,000 characters. The Emperor Shen Tsung, in the time of his father and grandfather, when he was simply a prince, learned to admire the beauty and telling force of the compositions of the new financier. He therefore advanced him rapidly to high posts when he became Emperor. Once he asked him, what is most important in governing? He replied, to make choice of a definite plan. Then the Emperor asked, what of T'ai Tsung of the Tang dynasty? The reply was, the Emperor should copy Yau and Shan. What did T'ai Tsung do compared with them? The method of Yau and Shun is brief and easy to apply, direct and without a crooked feature. Modern statesmen in their ignorance suppose it is something high and unattainable, but they are very far wrong. In his second year the Emperor said to him: Men mistake you. They say you only know the methods of the classics and are not acquainted with the world as it is. Wang An-shi said the methods of the classics are the most suitable for application in the world as it is. The Emperor then asked him, what do you consider most important to be done now? Wang An-shi said, to change the habits of the people and establish new laws is most important. For this there is a pressing need.

The Emperor in accordance with this advice instituted the Ch'í-ch'ī-san-si† and the T'iau-li-si‡, two new departments, the one to control the administration and the other to make laws. He also promoted Wang An-shi to be a member of the Cabinet in conjunction with Chen Sheng-chi. Wang appointed Lu Hwei-ch'ing to be his secretary in carrying out the new system, which was now to be put in operation. It consisted of an agricultural law, mung-t'ien, a canal law, shun-chi, a law for

\* Jen Tsung 仁宗 was on the throne A. D. 1023 to 1064.

† 制置三司. There was an office of the name 三司 in the Han dynasty.

‡ 條例.

spring crops, ts'ing-miau; a law for equal taxation, kiün-shu; a law for constables, pau-kia; a law for relieving from State service, mien-yi; a market law to regulate official loans and interest, shi-yi; a law regarding horses, pau-ma; and a land law, fang-t'ien.\* These nine laws constituted the new system of Wang An-shi. About forty officers were appointed to carry these laws into operation throughout the country. They were called T'i-kü-kwan†.

The Ts'ing-miau-fa, the third of these, was so called from the crops just growing, miau, on the land in the spring, ts'ing. The money which was in the treasury and the grain in the granaries were to be distributed to farmers, and they were to pay interest at two candareens a month or twenty-four per cent. a year, due in the autumn when the money was to be returned. The growing crop in the spring was security for repayment in the autumn.

Kiün-shu.—The government pays out money for certain goods which are conveyed to the capital for use there. Wang An-shi proposed to lend money to ensure the purchase of goods where they were cheap for presentation from each province. Each province sends as tribute supplies of its best productions to the capital, and he proposed to equalize the prices paid for the articles sent as tribute. By changing the method he also changed the men, thus a new set of officers obtained posts with money lending as a main part of their duty. We can imagine that the old officers would feel deep resentment as they witnessed the working of the new system, but however this might be the new officers would pursue in the provinces the task of selecting for the palace such goods as were needed as cheaply as possible and at markets as near as they could to save expense, and this was Wang's idea too. The principle

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\* 1, 農田; 2, 水利; 3, 青苗; 4, 均輸; 5, 保甲; 6, 免役; 7, 市易; 8, 保馬; 9, 方田.

† 提舉官.

adopted in the choice of constables, as arranged by Wang An-shī, was to take one in a family in each village when there were two men to select from. The security for them was given by ten of their neighbours. The constable thus secured, received bow and crossbow and was instructed in the art of war.

The new rule for personal service was that in the case of the rich they could be exempted by paying a tax. The officers would then be in a position to engage men for such services as were required. Families, where there was only one man, would pay the Mien-yi tax. Women who lived alone, would also pay, although by the old law they were not liable for personal service. This tax is called *Chu-yi-ts'ien*\*. What was called the market exchange tax *Shi-yi*† was paid by persons who borrowed from the official treasurer or magistrate. The security was land, houses, gold, or silk stuffs. The interest was twenty per cent. This was clearly banking and pawn broker's business undertaken by magistrates to obtain profit from the public funds of which they were in charge. The poor were oppressed.‡

Another mode of obtaining money made use of by Wang An-shī was to let out horses to persons who would undertake to keep them. They would be horses belonging to the postal service, escort, etc., or they would be bought by the magistrate and kept for them by private persons. One person kept one horse. Once a year they were inspected. If they were thin or sick or had died, the keeper made up the loss to the state. This was called the *Pan-ma-fa*§ or a method for protecting from loss the official stud of horses.

There was also a land measurement tax upon a square piece of land 1,000 pu in length on each of its sides. The magistrate's deputy measured it. It amounted to 4,166 mow

\*助役錢.

†市易.

‡ To take money from the poor to benefit the rich is called *San hia yi-shang* 損下益上.

§保馬法.

and 160 pu. The pu of five feet was used. The land so measured in October of each year was divided into five classes according to its productiveness as fertile or poor in its quality. As a rule the tax levied corresponded in its greater or less amount to these five classes.

In the metropolis there was a shop tax called Mien-hang-t'sien.\* Each kind of shop should, on certain occasions, respectfully offer a supply of its peculiar articles of sale to the government. In lieu of this a money tax was levied.

As to the farm lands and canals they need repair when banks are broken, and water ways must be deepened when shallow. These works are undertaken by magistrates. They require additional taxes, and then the people murmur.

Such was the financial system of Wang An-shī. Han Chi sent up a memorial in opposition, and when this was read by the Emperor, he was inclined to abandon the new finance, but Wang An-shī asked leave to resign, and this made the sovereign hesitate. At this point the historian Sī Ma-kwang spoke, saying that it would be well to remember the public mind was deeply disturbed on this subject. There were loud cries of dissatisfaction. Wang An-shī was angry when he heard this, and spoke eagerly in his own defence. The Emperor meekly thanked him and then commissioned Lü Hwei-ch'ing to announce a special edict in favour of the scheme. He did not resign. Eleven of the members of the censorate acting as secretaries and censors one after another resigned on account of their advice not being followed. Fan Chen, one of the Han-lin college principal tutors, presented three memorials on the T'sing-miau system, and was deprived of his rank on that account.

Wang An-shī was fond of referring to the habit of the Emperor T'ang Tai-tsung in requiring censors to enter with the minister at audiences. He thought it would be best for

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\* 免行錢.

later Emperors to do the same and treat them as Cabinet councillors, T'san-cheng.\* But when he was made a subordinate councillor, Tung-p'ing-chang-shi,† he changed his view. On one occasion there was a violent storm which led the Emperor to think the officers must be greatly at fault. He told them angrily that they ought to discharge their duties very quietly and show their reverential regard for the heavenly warning. He also dismissed some officers and censured the provincial high officers for not sending full reports to the throne.

Wang An-shi was immovable, and the people of K'ai-feng-fu, the capital, complained of the constabulary tax, which they said they would rather lose a finger or hand than pay. The Emperor was informed, and he then asked Wang An-shi if it was so. Wang said he did not know, but supposing it to be so, it was natural and to be expected.

In 1078 Shen Tsung issued an edict to lend money and grain to farmers who were poor that they might be able to restore the irrigation canals which were needed for their agriculture. The cash came from the public treasury and the grain from the granaries. This was done by the advice of Wang An-shi.

No tax was to be levied on the oxen or agricultural implements which were bought with official money in the districts lying south-west of the capital by the new farming population.

Shen Tsung reigned eighteen years and his successor Chê Tsung twelve years. In 1069 Shen Tsung‡ consented to an increase in the income of officers. Those who received three piculs of grain had four. There were 376 of these officers. Those who had two piculs previously, from this time received three, and there were 2,313 persons who obtained this increase. Each month there was in K'ai-feng-fu a distribution of 3,070 piculs of rice and wheat.

\* 參政.

‡ Sung History 121, 20, 10.

† 同平章事.

Presidents and Vice-presidents of Boards were allowed fifty men as their escort. A prime minister had seventy men. A guardian of the heir apparent had an escort of a hundred and a hundred piculs of rice or wheat. In A.D. 1131 a picul of millet was exchanged for sixty copper cash. A squire following a knight was allowed 30 cash for every tenth of a picul of rice or wheat to which he was entitled. For clothing he received several pieces of silk rated at 1,000 cash for each piece; a piece of grass cloth was estimated at 350 cash as its value, and he received this amount. It is now four dollars a piece, or it may be ten or fifteen.

It was the love of change in Shen Tsung that afforded to Wang An-shī his opportunity to propose schemes which he represented would enrich the country and supply the State with soldiers in such numbers as would always suffice for the preservation of peace. Loans to the farmer and universal enrollment in the village constabulary would effect these two objects. Shen Tsung hoped by these changes to rectify the mistakes made, as he believed, by statesmen in the reigns of his predecessors on the throne.

Ou Yang-sieu felt much dissatisfied, and he, like Sz Ma-kwang, was a historian and part author of the Tang history. He asked leave to resign. Other ministers pleaded for him. Wang An-shī then remarked that Ou Yang-sieu was a follower of the Minister Han Chi, and a man who by his position was a pillar of the State,\* but in any prefecture he would cause serious mischief and the same would be the result of using such a man in the general government.

After this Fu Pi was dismissed from his post in the embassy to the Kietan ruler, because he opposed the T'sing-miau loans. Wang An-shī said this punishment was not sufficient

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\*社稷臣 Shé-tsi-c'hen. The dynasty is supposed to rise and fall with the aid of the spirits of land and grain. The idea is the that of the Lares and Penates among the ancient Romans.



to check the harm this man might do. On hearing this Wen Yeu-po said that the Emperor's officers, when they engaged in unseemly controversy with the common people on the price to be paid for market articles, caused a fall of rock on the Hwa-yo mountain. Wang An-shih replied, you are mistaken as to the cause of the fall of rock. It was the act of heaven, because men of low aims appeared on the scene. The market law is good. It is intended to benefit men in humble life who have been suffering for want of money, so that they may not be obliged to part with their land to richer men who wish to buy all they can. Wen Yen-po's memorial was prevented from reaching the Emperor's notice, and he became prefect in the Wei department.\* This was by the suggestion of Wang An-shih who at this time injured various officers who had helped him to climb the ladder of promotion. Now that he was chief minister he did his best to punish all the ministers, however eminent, who ventured to oppose his financial schemes.

*Conveyance of Money Officially and Through Bankers.*

When the Emperor learned that there was a store of rice in the metropolitan granaries, he ordered it to be placed in the hands of the chief conveyance officer to cheapen the price of rice for the people. He was ordered to exchange 500,000 piculs of rice for gold and embroideries to be stored in the capital. The governor of Eastern Homan asked the Emperor to allow 302,200 strings of copper cash to be lent to the people, who would next year discharge the debt with silk fabrics. One piece of silk gauze would answer to 1,000 cash. They would weave the gauze in the winter. In the summer there would be the collection of taxes in cash. An order was sent that the cash should be conveyed to (K'ai-feng-fu) the Hopei province. Private traders might send copper cash also.

\* 守魏.

*Fall in the Value of Copper Cash.*

In the year 1070\* a censor informed the Emperor that the treasurer of Eastern Honan had received silk fabrics from the people at the rate of 1,000 cash a piece, but more recently he had received 1,500 cash for the piece of silk; the tax included. The Treasurer Wang Kwang-yuan was present, and said he levied the tax in accordance with the imperial policy. Farther on the historian condemns this policy as being that of Wang An-shī and certain men of inferior mind who followed him as disciples. The aim of the government should not be gain but benevolence. Wang An-shī on this occasion defended Wang Kwang-yuen before Shen Tsung, the Emperor, who ordered the silk fabrics with the 500,000 strings to be stored in K'ai-feng-fu. The profit from the money should be added to the sum deposited in the treasury. The part taken in opposition to Wang An-shī by Ch'eng King was supported by Li Chang, who said that Wang Kwang-yuen had made use of a balance of 500,000 strings of cash and by cunning practices he had obtained from the people in addition 250,000 strings of cash.

These faults of administration were the result of the appointment of Wang An-shī to be chief minister. He supported his subordinates in buying silk fabrics with public money to secure a profit of five-tenths in a hundred. This was worse than the well known t'sing-miau loans to farmers which caused so much harm to the State and the people. The objections brought to these proceedings by Ch'eng King and Li Chang were not thought worthy of consideration by the Emperor. In February of the next year an edict directed that the balance in Sī-chwen to the credit of the revenue should be conveyed to Shen-si to buy grass cloth and silk fabrics to be kept in store for the use of the army on the frontier. This,

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\* Sung-shī 128, 3.

the edict said, will save much of the burden of tribute due from the Si-chwen people and the expense of conveying grain from Ch'eng-tu to K'ai-feng-fu.\*

The Emperor supported Wang An-shi in so manipulating public money as to secure a profit to the revenue. To us at this distance of time it seems probable that the statesman was partly right but mainly in the wrong. Money was growing very abundant and therefore more of it was required in purchases in the market. Money had become cheaper and manufactured articles needed to be exchanged for a larger amount of money than before.

### *Tribute of Silk Textile Goods.*

The governor of Chekiang in 1074 was Shen Kwa, the first author to mention the use of the mariner's compass at sea. He reported that in his province the tribute of coarse silk fabrics amounted to 980,000 pieces each year. The people with infinite labour obtained it and forwarded it to the treasurer. He again had it sent to the market nominally to exchange it for current coin and in addition buy 120,000 pieces of finely woven silk. The Emperor ordered that the additional silk should not be purchased.

Han Chi, a faithful statesman of high repute, opposed this procedure. Even if there were a prosperous ingathering season after season, it would still require from five to seven years before the tribute would be brought to the capital in the form of rich silk fabrics. Wang An-shi criticized this view. He said to Shen Tsung that in the reigns of his imperial ancestors there was not such a procedure. The good silks were bought early. In a former year Li Tsi was answered favourably when he requested the Emperor to allow the purchase. Since that the governors of provinces and other officers have, one after another, many of them asked for the same privilege. They

\* Sung-shi 125, 3, 20 Shih-wo-chi.

have done this out of pity for the people whom they wished to save from new imposts, but they neglected to consider that a time might come when the revenue of the State would be insufficient. Then the same magistrates would be obliged to compel the people to pay what was required, however oppressive it might seem.

Since the year 1078, in the various provinces, the finer kinds of silk fabrics have been bought with cash from different grain departments to the amount in some cases of several tens of thousands of strings of cash and in other cases of several hundred thousands of strings. The officers who took charge of these matters was directed to make use of surplus money in the form of woven silk, to store in the average value (Ch'ang-p'ing)\* treasury to await the appraisement of the public treasurer, who would credit them to the revenue accordingly.

In the year 1080 the treasurer of the eastern metropolitan province asked permission to purchase early 300,000 pieces to be exchanged and forwarded as revenue from the province. This request was granted.

In 1081 a commissioner was sent to Sī-chwen and Shen-si, then divided into four provinces. His task was to change the tributary silk to a form suitable for conveyance. The clerk reported that it would be best to inspect the tribute in Shen-si (of course in Si-an). Those which were not deserving of choice should be exchanged for grain and stored on the frontier. In 1082 the Board of Revenue reported the amount of the collection to be 8,161,780 pieces and 3,462,000 strings of cash.

In A.D. 1004 the raw silk and cocoons were short in quantity and were bought by the exchange officer, who also purchased woven silk and gauze and levied the duty upon it. Other persons who had no silk paid cash in taxes, and these were exchanged for silk and gauze for the public treasury. An

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\*常平 Sung history 128, 11, 12.

order was also given to the treasurer to change cash for gold and silver. When cocoons and raw silk were abundant, he should buy all the various kinds of silk fabrics to be conveyed to the capital as provincial tribute.\*

#### *Adoption of Paper Money.*

In A.D. 1102 to 1107 the magistrates of the provinces all bought silk goods at an early date to secure a low price in the market. The people all paid according to their means and rank. In Si-chwen and Shen-si the rate established in 1078 was the highest and the amount of tax was fixed according to this rate. Those who were exempted, continued to be exempt. In Kiang-si 500,000 pieces of silk were bought. The purchase money was three-tenths copper cash and seven-tenths salt, but when salt certificates came into vogue, salt was not received.

Salt certificates were in fact paper money, but paper money proper was also coming into use, though with doubts as to its solid character as currency.

#### *Sung Currency.*

The volume of the currency in the Sung dynasty was much diminished by the system of taxation at that time prevalent. Tribute to the sovereign was paid in kind. The provinces sent up grain, silk goods, and money. The pay of a general for example might be 50,000, 40,000 or 30,000 cash with a present of silk fabrics in the spring and in winter of four different kinds. These articles would be fully sufficient to keep him and his family well clothed with a surplus which might be exchanged for other articles of utility. The inconvenience of taxes paid in field products and manufactured articles was much diminished by the circumstance that salaries and army pay consisted of these articles in part and silver and

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\* Sung History 128. 4.

copper cash in part. The revenue in cash in A.D. 997 was 22,245,830 strings. In 1021 the amount was in cash 150,850,100. This was less than before, and it included silks as in 997. The expenditure was 1,267,750,200 cash or 1,267,750 strings.

The expenditure at the Altar of Heaven when the Emperor offered sacrifice in 997, was 2,000,000 strings of cash. More than half of this consisted of gold, silver, satin, silk, and various textile fabrics. In 1021 the cost of this religious service was 7,000,000 cash. The cost of worship on T'ai-shan was 800,000 cash.

As the provinces paid tribute to the Emperor, the Emperor paid tribute to heaven. His tribute was mixed as he received it, and it seemed right to the Chinese mind to burn silks in the worship of heaven as well as to present offerings of grain and other articles of food.

Si Ma-kwang and Fang Chen had been friends of Wang An-shī, but he showed them no gratitude, though they were good and able men. His son, Wang Fang, came out one day with ruffled hair, like a prisoner, and in public carrying a woman's head dress. He cried, Han Chi and Fu Pi (both of them high in station) deserve to be beheaded. Their heads should be set on poles in the market place. The law would then take its course. The father simply said: My son has made a mistake.

In the year 1074, the fifth year after the adoption of the new finance, there was a famine, and many people left their homes in search of the means of living. The Emperor said to his councillors: It is plain that all bad laws ought to be abolished. Wang An-shī said: Floods and drought are common occurrences. The Emperors Yan and T'ang could not prevent these disasters. Your majesty should not be uneasy. What is needed to be done is to repair what is wrong in the actions of men. Cheng Kia drew a picture of the sufferings of the



people who left their homes through the famine and were wandering in search of food. He presented it with a memorial, in which he said Wang An-shī was the author of the famine. If he be dismissed it will rain. For saying this, Cheng Kia was banished to Canton.

The two Dowager-Empresses felt it necessary to interfere. They wept and said to the Emperor: "An Shi is disturbing the peace of the country." The Emperor now himself doubted the wisdom of Wang An-shī and dismissed him from the post of Kwan-wen-tien-ta-hio shī.\* He was made prefect of the city Kiang-ling†. After a time he was transferred from the post of Vice President of the Board of Ceremonies to the Presidency of the Board of Officers.

Wang An-shī had two friends—Lü Hwei ching and Han Kiang. When the former of these was out of mourning, Wang recommended him as an assistant councillor attached to the government, Ts'an-chi-cheng-shī,‡. He also asked that Han Kiang might become President of the Board of Officers in his place. Both these friends helped him in carrying out his system of government. They were known by nicknames in the court. Han was called§ the priest who transmitted the law of Buddha, Chwen-fa-sha-men. Lü was known as the virtuous god or spirit who protects the law, Wu-fa-shan-shên||. Soon it became plain to Han Kiang that Lü was unwilling that Wang An-shī should be restored to the office of prime minister, and desired himself to be chosen to fill that office. Han therefore secretly urged on the Emperor to restore Wang to the position of first minister. In A.D. 1085 he was made minister accordingly. In October a comet appeared in the eastern sky. The Emperor observed: I hear that the people are impatient under the new system. Wang An-shī remarked: The discontent of the people is not important. When

\* 觀文殿大學士  
§ 傳法沙門

† 江陵  
‡ 傳法善神

‡ 參知政事

the weather is too cold, too hot, or too rainy, many complaints are heard. The Emperor said the complaints of the people cannot be treated so lightly. Their suffering is something more than that caused by severe weather. Wang An-shī was displeased; he left the hall of audience and became an invalid. His son died of sheer disappointment. The Emperor grew tired of him and placed him at the head of the Chen-nan regiment. He was made a minister without a place in the cabinet, T'ung-p'ing-chang-shī,\* and prefect of Nanking. Feng King was, on account of his not belonging to the clique of Wang An-shī, admitted to the cabinet. In 1079 he was transferred to the prefecture of Kiangchow in Hu-pê province. In 1086 he died. The historian adds that his fondness for change was plainly indicated by the unsteadiness of his eye.

#### *Sien Yu-sien's Financial Policy.*

About A. D. 1012, on the occasion of a famine, a doctor of literature named Sien Yü-sien, made inquiries into the causes of this class of calamities. He noticed four faults in those who administer the laws. His friends admired his composition and recommended him to his superior officer, because the Emperor had asked the opinions of any of his subjects on this point. He gave much praise to the magistrates for their good methods and said he would like to succeed them. His wisdom was acknowledged, and he was made magistrate of Fu-yuen in An-hwei. In that district there was a rich man, who was very treacherous, violent, and oppressive. Many persons were beheaded through his agency. A subordinate officer came and said to the new magistrate: The former magistrates have died one after another. You will, if prudent, go elsewhere. Sien Yü-sien ordered the person who said this to be chastised. The doers of evil took warning and

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\* 同平章事.

went elsewhere. The next place where he became magistrate was Mien-chow in the western part of Si-chwen. The previous magistrates here were greedy and crafty. They would send soldiers to demand fodder, fruit, beans, hay, and vegetables. The people preferred to pay money, and the magistrate named a high price for each article. The new magistrate set the example of not demanding money for these articles. His want of covetousness was imitated by many subordinate officers. The Governor of Si-chwen recommended him for promotion. He was made a judge.\* Yung-hing kin-p'an-kwan. In Wan-nien he found several hundred prisoners. The magistrate had neglected his duty. The prefect sent him to judge all these men. After a few days the prison was empty.

The Emperor at this time promulgated an edict requiring direct and faithful advice on the existing state of the country. Sien Yü-sien wrote a memorial in sixteen articles, which was forwarded. The Emperor was pleased with the memorial, and commanded his ministers to state their opinion as to his ability. In accordance with their recommendation he was made treasurer of the Li-chow province.

Wang An-shī had at Nanking obtained a great reputation. Many persons thought he should be made first minister. Sien Yü-sien did not agree with this view. He disliked Wang An-shī because he was importunate in persuading high officials to recommend him. This man, he said, if he attains power, will throw the empire into disorder. He will change the mode of government and cause discontent among the people. Wang An-shī was angry at this being said and represented the shortcomings of Sien Yü-sien in strong language. The Emperor said to him: His style of writing and his learning are of the first quality. An-shī asked: How does your majesty know this? The Emperor said: I have his memorial. Wang An-shī did not dare to question the Emperor's judgment.

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\* 承典軍判官

At this time the tax in lieu of personal service was to be collected, *Chu-yi-fa-hing*.<sup>\*</sup> Each province was to fix the amount of the levy. The levy on *Li-chow*† province was calculated at 400,000 cash. *Sien* vigorously opposed this estimate. The people are poor and the land is not productive; 200,000 will be enough. The treasurer defended his estimate. The Emperor accepted the view of *Sien* and dismissed the treasurer. The president of the Revenue Board, *Ts'eng-pu*, was ordered to carry out *Sien*'s recommendation. *Yü Sien* was made assistant conveyance officer,‡ and remained in charge of the granary for equalising the price of grain. The people under him—none of them asked for the *Ts'ing-miau* loan. *Wang An-shi* sent officers to inquire the reason that the *Ts'ing-miau* money had not been advanced to the farmers. *Sien* said that the money can be advanced when it is desired by the people. If they do not wish it why should they be obliged to receive it?

The *Li-chow* magistrate was a greedy man, who oppressed the people. The former conveyance officer was timid and did not venture to find fault. *Sien* imprisoned the covetous prefect and procured his banishment to *Hunan*.§ He then petitioned the Emperor to appoint a competent prefect. He had a genius for dealing with men, so that *Su Tung-po* said of him: *Sien* maintains the authority of the laws, is in constant harmony with his own relatives and family, and in regard to the people he is just and philanthropic. He allowed the poor to pay their dues in small sums. For this they were very grateful. When his successor claimed more from the people, they wept and said: Why does the new officer change the excellent system of the old conveyance commissioner? *Shen Tsung* approved his action and made him chief conveyance commissioner, *Chwen-yün shi*.|| Just at this time *Wang*

\* 助役法行.

† 利州 This city is now Pa-chow in Eastern Si-ch'wen. Sung-shi 103, 13.

副使.

§ 衡州.

|| 轉運使 Sung-shi 103, 14.

An-shī and Lü Hwei-ch'ing were in power. Honest men were not allowed by them to retain their positions. Sien said: When I had the privilege of recommending persons for office I thought it disgraceful to ask for the promotion of any one who was not a virtuous and loyal man. The men he recommended were such as Su Tung-po and his brother Su Chê, Fan Tzu-yü, Liu Ch'ī, and others like them, who were faithful to principle and opposed to the politics of men such as Wang An-shī. Su Tung-po was imprisoned, and his friends ceased to visit him. This was not the way with Sien Yü-sien. He still kept up friendly relations with him. Some one said it will be dangerous; your correspondence with this prisoner should be burned. No, said Sien, I am ready to be sponsor for my friend and bear a part of his punishment.

#### *Tang Dynasty Administrative System.*

For the better understanding of the system of the Sung dynasty and the Tsing-miau-fa of Wang An-shī it is advisable to direct attention to the system of the Tang dynasty. This extension of the present inquiry will perhaps throw some light on the question of what traces of old time banking may be discovered in that earlier period. It is stated in the Old Tang history that Shen, the son of Li Ch'eng rose step by step in the army till he became a General or Tsiang-kiün. His habits were dissolute. He loved wine and had many wives. He ran into debt till he owed tens of millions of cash. He borrowed ten thousand strings of cash from Wigur Turks, and did not return them. The Wigurs complained to the Emperor, their suzerain. The Emperor was angry with Li Shen and degraded him to the comparatively low rank of Ts'ün-kiün of the city of Ting-chow. Nothing is said here of the amount of interest on the loan, but it would be heavy, as the interest on money borrowed always has been in China. The Wigurs sold horses to China for the army and for agriculture

and other purposes, and thus obtained money which they could lend at interest.

In China the people have always migrated from one city and one province to another. One chief cause of migration has been severe taxation.

### *Rebellions Caused by Heavy Taxation.*

The Tang history traces the rise of rebellion in the eighth century to heavy taxation. Men were taxed and their personal service required by the State. This was unjust, because men ought to have a share of land to cultivate. The Emperor might not claim more than a reasonable sum sufficient for the expenses of the administration, the maintenance of the dignity of the Emperor, and the supply of the wants of the palace. In the seventh century a man was taxed for his land, the produce of his land, and for himself. In the reign of Tai Tsung, when Yang Yen was minister, a man who is condemned for his disposition to oppress the people, the collection of a summer and autumn tax was, in a special edict, made the system which was henceforth to prevail.

In the Tang dynasty the people were less independent than now. Their hold on the land was more at the will of the Emperor. When the taxes were heavy, they left the land to escape the tax. At present the great increase of population leads to the result that the revenue is more easily raised and more waste land is cultivated than formerly.

In A. D. 815 orders were given to exchange 20,000 pieces of coarse silk for horses in the Yellow River bend on the north of Shensi in Mongolia. In Shensi much waste land was supplied with water and rendered fertile. A large portion of such land was assigned to the poor, to soldiers and to Buddhist priests and Taoist hermits. The land so distributed amounted to several hundred thousand now.



In A.D. 817 the manager of the Imperial stable, Chang Mau-tsung, took forcible possession of land occupied by persons who had not their own land. It was in Shensi near Ki-shan mountain. In 819 an officer was appointed to be in charge near Siang-chow, on the upper waters of the Han river, of 3,200 horses and 4,000 mow of waste land. The Emperor died, and Mu Tsung, a new ruler, mounted the throne. The people on the south of Ki-shan mountain appealed to him to restore to them the land which Chang Mau-tsung had wrongfully taken away. It was all given to them through the aid of a censor.

It was about A.D. 742, a hundred and twenty years after the commencement of the Tang dynasty, that a chronic condition of rebellion began in North China. The Emperors invited Turkish and Tibetan armies to assist them in putting down insurrectionary armies of their own people. The Wigurs and Turfan Tribes assisted them, but these foreign mercenaries on slight occasions became robbers themselves and fought against the Imperial armies. Sometimes they gained victories and at other times they were defeated.

### *Trade in the T'ang Dynasty.*

The salt and iron of Shansi made the traders of that province so rich that they were able to act as bankers for all places of large trade. Money gradually accumulated as the salt and iron were worked. The consequence is that banking appears to be a comparatively modern institution. The subterranean wealth of China has enabled her to become a literary country. The accumulation of wealth gave to China leisure to study her ancient books and undertake maritime expeditions to extend her trade. Not before the Yuen dynasty did China visit the Red Sea, the Persian Gulf, and Madaga ear, with large trading junks. Each century added to her wealth, and she obtained the abacus at the beginning

of the Ming dynasty, which has very materially aided her in eastern countries to assume the chief position as a trading nation.

In the T'ang dynasty, the Wu-tai, and the Sung dynasty, if loans were required the farmer obtained help from the magistrate. The magistrate had money which the tax gatherer brought him to be kept in the treasury for transmission to the capital. In the T'ang dynasty, A.D. 618 to 905, the western capital was Chang-an in Shen-si and the eastern was Lo-yang in Honan. In the Sung dynasty it was K'ai-feng-fu in Honan, and when North China was lost to the Kin Tartars the court removed to Hangchow.

#### *Paper Money Issued by Government.*

In 806 Hien Tsung on account of the scarcity of copper cash forbade a second time the use of copper implements among the people. Merchants going to Chang-an got rid of their copper cash at various offices in the capital. These offices represented the provinces, and when documents were received they were taken care of for presentation to the Emperor. These offices were called Tsin-tseu-yuen.\* They received government notes called Ch'iu'en.† These would be readily cashed in the country by the officer to whom the document was presented. At the present time in Peking the T'i-t'ang‡ yamên for each province receives documents sent from its own province. They are taken charge of by a military master of arts or doctor of arts and are sent to the palace. The Board of War has the oversight of the T'i-t'ang offices. They correspond to the Tsin-tseu-yuen of the Tang dynasty. But among the duties of the Tsin-tseu-yuen officers was included also the issue of paper notes called officially Ch'iu'en† and popularly Fei-ts'ien.§ One of the imperial councillors recommended that no trader should receive govern-

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\* 進奏院.

† 券.

‡ 提塘.

§ 飛錢.

ment notes capable of being honoured and cashed in any city, but they must be provided with ten respectable men as their sureties. We learn from these entries in the history that bank notes were official. The issue of bank notes began with the officers of government. The reason of this would be that the currency was in the hands of the government. They issued the copper cash which, with silk goods and the notes, constituted the currency. The government was the better able to undertake this work, because high officers, when they left the capital, needed government documents stating that the bearer can receive a certain amount of current money at some city in the provinces. The bearer might be a military officer, a governor, a salt commissioner, a judge, prefect, or magistrate. Men having money purchased a government note and travelled to the provinces with this certificate.

From this inquiry into the state of banking in the Tang dynasty it appears that the government at that time did not a little banking business. They received copper cash from officers and private traders and gave them paper notes which they took to the country. In the cities to which they travelled these government orders were cashed at the treasurer's office or that of the magistrate. Traders were not allowed to retain notes too long without presenting them, lest prices should fall in the meantime. We are told that Lu Tan, Wang Shau, and Wang Po, all high in office, asked the Emperor to require traders to pay 100 cash more when the number of strings was one thousand. Traders were not induced to come forward and buy the paper notes. A change was made. A thousand cash bought a paper note of the same face value. But the copper cash were dear to buy and silk goods were cheap as before.\* To remedy this state of things the Emperor Hien Tsung directed 500,000 strings of cash in the treasury to be employed in purchasing grass cloth and silk goods. The

\*錢事昂輕如故。

selling price of a piece was made one-tenth more than it had been. At this time Wu Yuen-tsi and Wang Ch'eng-tsung rebelled and troops were sent to put down the insurgents. Money was wanting, and Wang Fu-po recommended that an increase of twenty cash should be advanced for each string expended in the capital or in the provinces. In addition fifty cash for army support were to be advanced to the Board of Revenue. Again in 980 five hundred thousand strings of cash were assigned to the metropolitan prefect, and he was directed to buy grass cloth and silk goods with a view to raise their price. At the same time rich men who hoarded more than five thousand strings of cash were to be beheaded. Princes and dukes who hoarded coin to the injury of the public currency, were to be severely punished and their stores of cash were confiscated. One-fifth of the amount was promised to those who gave information leading to conviction.

#### *Currency in the Tang Metropolis.*

In the capital, those who accumulated money were the high military officers. Each of them possessed at least 500,000 strings of cash. They bought houses at high prices, competing one with another as to who should have the largest. Rich traders were in the habit of giving out that their money was that of army brigades and not their own. The prefects and magistrates did not dare to question them or doubt their word, because of the power to punish possessed by the high military authorities. At this time seventy cash were subtracted from each string, and cash made of lead and tin were far too common. Those persons who dealt in them were arrested and were often found to be in the service of the military high officers. Trusting in their protection they collected men found in the market places, and by force recovered the money which had been taken from them. They also struck and wounded the

mandarin servants. The prefect of Chang-an requested the Emperor to order the military high officers to examine into the misconduct of these men, but the Emperor did not consent. He ordered the culprits to be judged by the local officers for the crime of using false cash in place of the regular currency. In 820, when Mu Tsung became Emperor, gold and silver were sold in the capital at nine taels for ten. In buying rice and salt seventy-eight cash were regarded as a hundred. The prefect exerted his authority to put a stop to this practice. In each place the mode of counting money had a local peculiarity.

There was no uniformity in the number of cash subtracted in paying a hundred or a thousand. The Emperor gave the order to allow the people to follow the popular feeling. He therefore fixed the amount at 80 in 1,000.

#### *Currency Legislation.*

In 825 Wang Chi requested the Emperor King Tsung to make a law that every person melting copper cash to be used in casting copper images of Buddha, should be liable to the same punishment as the counterfeit coiner. An edict of 1829 provided that images of Buddha should be made of lead, tin, clay, and wood. They might be ornamented with gold and silver, native copper ore, pitch and iron. The people were allowed to use copper in mirrors and gongs, rings and buttons, but not in kettles and such like utensils. Those who broke this law should be beheaded. A rigid law was made prohibiting the circulation of lead and tin coins. Any one who gave information leading to the detection of 1,000 such coins would be rewarded with 5,000 cash. In the year 830 a law was made against hoarding. It provided that any man who possessed 100,000 strings should throw them all into circulation within a year by buying houses or in other ways. Should the hoard amount to 200,000 strings the hoarder must throw them into circulation within two years.

All persons buying or selling to the amount of 100 or more strings must pay or receive half the price in the form of silk goods, rice, or millet, and half in current coin. Seeing that Yang-chow, Kien-kiang, and Honan were old capitals and of large extent the legislative restrictions of the currency were for a time made the same as in the metropolis, but this special system of limitations was soon brought to an end.

In the year 834 tin coins began again to circulate in Honan and Chihli. The commissioner for the salt and iron taxes established a mint at Yü-chow in Shansi. At this time the whole number of strings newly minted throughout the empire amounted to less than 100,000. The Emperor Wen Tsung was dissatisfied because silk goods were cheap and copper cash dear. He ordered the high military officers to allow copper cash and grain to be on an equal footing as currency. In defiance of the law prohibiting the use of copper utensils the shop-keepers in Kiang-su and Canton sold them. When 1,000 cash were melted the profit was several times as much as the current value of the cash as money. The premier Li Wang recommended a large increase in the number of cash by establishing several new coining establishments. The prohibition of the use of copper utensils was renewed and the magistrates bought from the people what they possessed. Fifty copper mines were worked and the amount of copper obtained in a year was 66,000 catties.

In 841 Wu Tsung ordered the melting down of Buddhist images, bells, gongs, and caldrons. The copper thus obtained was made into cash. There was too much work for the metropolitan mint to undertake, so that the order was given to the governors of provinces to establish local mints.

The governor of Kiang-su advised the Emperor to order cash to be made with the city name stamped upon them. Cash made in the capital were known as King-t'sien, metropolitan coins. They were one inch across like the coins known as



Kai-yuen-tung-pan as having been made in the Kai Yuen period A.D. 713 to 742. It was made a crime to use old cash in buying and selling.

In the year A.D. 847 a new Emperor reversed the anti-Buddhist policy of his predecessor. New cash on which engraved characters could be deciphered and the Cash, known to be new and therefore unpopular, were ordered to be melted and made into images. In the year 904 a string contained 850 cash and 85 cash were called 100. This was in the capital. At Honan-fu 80 cash were called a hundred.

#### *Trade during the Wu-tai Period.*

The Liang dynasty at the beginning of the tenth century began, with a sincere purpose to encourage the silk industry, to levy a very light land tax, and to favour the spread of agriculture, but within twelve years' time the administration became oppressive. The Yellow River works were a burden and the conveyance to the metropolis of the grain tribute was a severe strain on the people, but yet they loved their land too well to migrate. In A.D. 923 the Later Tang dynasty conquered the Liang, and K'ung Ch'ien became treasurer (Tsu-yung-shī\*). He added to the unwelcome pressure of the law, and taxation in his hands meant increasing toil to the farmer. Farmers could lay by nothing, and yet the troops were not well fed and clothed. Fighting and famine brought sorrow to a thousand homes. The outlook was dark and people commonly said the taxes are too heavy, and the government requires too much from us.

In the spring of 925 a law was made that green beans should be taxed in Ta-ming prefecture, and at the same time three-hundredths of a picul were subtracted from the grain tax on one mow. In the city, shops, gardens and orchards had hitherto not been taxed. They were taxed now through the

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\* 租庸使.

promulgation of a false decree. The revenue thus obtained was used to provide clothing for the army. In January of 926 the president of the Board of Office, Li Chi, asked the Emperor to decree that grain tribute should be no more changed to current coin. It was thought better that the people should pay in kind, grain tribute should be strictly grain and duties should be paid in current coin. The edict which followed on this memorial said, our dynasty has the summer and the autumn tribute. Li Chi's view is right. There should be no change from payment in kind to payment in coin. When the time arrives for levy of taxes, copper cash, salt and grain by measure should be collected by the commissioner for taxes\* as of old. If any change is desired a memorial stating the circumstances should be sent to the government and a decision will be made.

In the year 926, in May, it was stated in a decree that previously in addition to the summer and autumn tax a waste tax had been levied, but in future no such extra tax consisting of one-tenth of the produce should be required.

In June, 929, the Board of Revenue, in a memorial, said that the revenue collected in the three capitals, in Ye-tu † and in each smaller city, as regards the summer and autumn taxes, and the salt and leaven taxes should be paid in current coin in accordance with the official price. Other taxes of various names should be levied in kind. They are earlier or later in time according to the difference in seasons, locality, and soil.

Each year in June when the summer harvest is gathered in, the occupiers of land should present to the magistrate a written statement of the area of land cultivated by them in ch'ing and mow. Five families are sponsors for the faithfulness of each farmer in drawing up his statement, and they unite in preparing one return for five families. This is pre-

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\* 租庸司.

† 鄴都 Chang-tè-fu, in Southern Chili.

sented to the magistrate, who combines the separate statements in one for presentation to the high officers in the capital of the province. The magistrate should not send tax gatherers to collect or make investigations. But should any farmer present false statements the magistrate may report the delinquency and the land of which the extent is misrepresented should be subjected to a double tax. Permission was given to informers to accuse farmers of false statements.

In July, 931, an edict was promulgated requiring superintendents to direct the city magistrates to appoint in each village men of means and influence as village elders. They will consult with the other householders and agree, on the understanding that persons of means shall contribute from their superfluity of income, to make up for the deficiency in the tax payments of poor men. Those who are willing to do this will draw up a statement and collect the revenue due. To prevent lawsuits the tax collector, in this case the village elder, levies the tax in order on each householder. The rate of the year in which this decree is issued, will also be the rate in future years. This rule does not embrace times of flood, drought, or pestilence forcing the people to leave their lands and houses and seek new homes.

#### *Copper in the Wutai Period.*

In January, 933, three Ministers of the Board of Revenue addressed the Emperor with the prayer that he would order the superintendents to make an addition to the taxes, both in current coin and in the produce of the soil. This should be done for the maintenance of the army, at that time insufficiently fed and clothed. Not only cereal products and copper coin should be levied, but at suitable times silk goods should be received in place of them. To this proposal the vermilion pencil assented with the words: "Let it be so."

In February, 939, an edict prohibited governors of provinces and magistrates from levying illegal taxes. Tax offices were appointed in cities to receive taxes. The householders themselves measured the grain tribute and calculated the land tax. In November, 956, an announcement was made by the Board of Revenue to the superintendents and magistrates that the summer harvest tax should be collected on July 1st and the following days. The autumn tax should begin to be collected on November 1st. These dates were to be constantly adhered to. In July, 958, a map was given to each governor of a province, and thirty-four officers were appointed to go to the various districts and estimate the land tax. In 959 the number of families in the empire was found to be 2,309,812. If we count five to a family the population of China was then 11,549,060.

In A.D. 924 the Board of Revenue asked the Emperor to order the magistrates to post proclamations at the gates of every city announcing to the people that in buying and selling eighty cash should be counted as a hundred. In March of that year an edict said that coins are made to circulate and should not be stored up in locked rooms and strong boxes. The people need them to facilitate trading transactions. The early Han dynasty made laws forbidding the practice of hoarding cash and all illegal dealing with the currency. In each province the governor should depute officers to go down to the various cities and investigate the practice of wealthy men. They must be forbidden to hoard current coin. Nor must artisans melt the imperial coins in order to make implements of copper. Another fault which ought to be guarded against was that of exporting imperial coin from towns on the frontier to foreign countries. Traders ought to be prevented from doing this. In April the magistrate of Tanchow in Hupei in a memorial to the Emperor said that cash made of tin and lead are surreptitiously introduced into the national currency.

The salt merchants of Kiangsu take them in considerable quantities to the metropolitan province. In an edict which followed on this memorial the Emperor said the practice of mingling lead and tin cash with the national currency which properly consists of copper cash and silk cloth is chiefly the fault of the traders of Kiangnan and Hu-kwang, who take such cash with them on their way to the capital. An edict at that time promulgated required the magistrates of cities bordering on the Yang-tsï-kiang to examine boats at landing places and take measures to prevent their taking with them lead and tin coins to exchange for good coins. All such false coins were confiscated when found concealed on the boats.

In the autumn of 926 the cabinet ministers reported to the Emperor that in the provincial cities such implements of copper as were commonly sold at high prices were made of melted cash. A considerable profit was secured by copper-smiths, who melted the imperial coin. An edict was issued fixing the price of vessels made of new copper or of old copper implements of various kinds. They were to sell at 200 cash or about a quarter of a dollar for a catty, or one pound and one-third, if they were of unrefined copper. Those which were made of the best refined copper were to be sold at 400 cash a catty. All persons who transgressed would be liable to the same punishment on conviction as private coiners of imperial coin. In the year 935 all persons circulating lead coins as money were liable to severe punishment. In the year 937 a new edict forbade the use of copper vessels. Bronze mirrors were necessary, and these were made in an official factory in the western capital. Mirrors made of quick-silver and glass were not then known in China. Bronze mirrors were sold to hawkers from the official factory and circulated in all places to meet the wants of the population.

In the year 951 in April an edict dealt with the copper law. After this time, it said, the use of copper will not be

prohibited. Hawkers may sell it anywhere, but it must be as they receive it in the original lumps. They cannot make it into implements by the coppersmith's art for sale. Should any one disobey this law and be arrested through information given, the offender, whether the weight of copper be great or small, will be beheaded on conviction. The people on the way who participated in his crime by effecting sales for him will be punished with seventeen blows on the back and let go. His neighbours and the local constable will be beaten with seventeen blows and then let go.\* Informers will receive 100 strings of cash.

As in the Tang dynasty, cash were made in the tenth century at Jauchow in Kiangsi, at Ch'i-chow in Anhwei, at Hangchow in Chêkiang, and at Kien-ning-fu in Fukien. The Governor of Kiangnan in the tenth century ruled Chêkiang and Fukien as well as southern Kiangsu and Anhwei.

#### *Salt in the Wutai Period.*

In A.D. 940, about the middle of the Five Dynasty period, the salt tax occupied attention. Salt was sold in small rolls called t'san-yen, from their likeness to cocoons, or in loose particles called mo-yen (末 mot). In each salt district 170,000 strings-worth were sold. A thousand cash weigh about six catties. Each householder might use in a year salt for which the duty was from a thousand to two hundred cash.† They were divided into five classes—200, 400, 600, 800, 1,000. Hawkers took the official salt to sell, and this system was found to suit the government and the people. The duty was levied on each of the five classes and was collected from them by the tax gatherer. Each knew how much he was to pay. This system was carried out by government and the salt dis-

\* Constables in Kiangsu collect taxes in addition to other duties. They dress respectably, having good incomes. In other provinces the constable does not collect taxes. Pau means protect 保. It is our word bail.

† The name of this duty on salt was 食鹽錢 shi-yien-ch'ien, the duty levied on table salt.



tricts were as to their boundaries the same as before. But it was found that after some time the price of salt fell. When carried to a distance it was twenty cash a catty. At places near it was ten cash. This variation caused a difficulty in the working of the new system. A new appeal was made to the government. It was desired to find a plan by which the hawking of salt should not yield a considerable profit to the tax collectors. The method adopted was to levy a uniform duty of seven cash a catty on hawkers, and ten cash on resident householders. The high authorities of each province and prefecture sent officers down to correct errors and redress grievances. But the duty must be paid, and dissatisfaction on the part of the people could not be avoided. To diminish this sense of wrong, ten cash were subtracted from each tow or a hundred from each picul.

The Lien family gave place to the Ts'ai family, and the Emperor of this family fixed upon the title Kwang-shun in 951, and in the autumn of the same year issued an edict on salt. Death was the penalty for selling unrefined salt for any quantity beyond five catties or six and two-thirds English pounds. If the salt was refined, one catty and upward sold rendered the seller liable to death penalty. This rule was intended to be a step in the direction of leniency, for the preceding dynasty, which lasted only four years, had punished all sales of contraband salt with death, however small the quantity might be. The people submit to mild laws, but they rise up in indignation against a *régime* of undue severity. In 953 dark coloured\* salt had been charged a duty of 800 cash a picul and every hundred was in full tale. Beside this the tribute in kind was ten pints. On white salt the duty was 500 cash a picul, and five pints of salt were required as tribute in kind. The new rule was to levy a duty of 1,000

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\* The sea salt used in Tientsin and Peking is dark and has a good strong taste. Mongolian salt is obtained from lakes. It has an inferior flavour.

cash on t'sing\* salt per picul with ten pints of the salt as tribute in kind. But complaints were made. The addition was objected to, and it was settled that the good salt should be liable to a duty of 800 cash, and eighty-five were to count as a hundred, so that the actual payment was 680 cash a picul. Ten pints of salt were required. On the inferior white salt the duty exacted was 500 cash a picul and five pints in kind. Such was the moral effect of this consideration for the feeling of the people that on the frontier, where there was trade between Chinese and foreigners, unauthorised duty ceased from this time to be demanded by collectors.

In A.D. 954 the later Chow Emperor said to his councillors "in the region where salt† in small particles is used by the people, smuggling is more common than in the region where the official‡ salt in small cubes is produced. The reason is not that the people wilfully disobey my law, but that on low damp land, where salt and soda are mixed, salt is easily obtained by boiling. Besides conveyance and boiling are dearer for the low priced salt than for the high priced salt. It will be well therefore to form a district containing about ten cities for the circulation of official salt (that in small cubes); the conveyance will be easier through the distance being less and there will be not so much smuggling." From this time forward the population on the west of Ts'au-chow-fu and the Sung region in Honan, including about ten cities, was supplied with cubic salt.

In 956 in November it was made a law that north of the Chang river, in Chihli, in cities and markets as before only official salt should be sold, but in villages salt was allowed to be sold on free trade principles.§ Wherever salt and soda are mixed in the soil the people are permitted to extract the salt by boiling and carry it away to sell, but they must not trespass

\* 青. † 末鹽 Mo-yen. ‡ 顆鹽 K'o-yen.  
§ 並作鹽貨通商 Ping-hü-yen-hwo-t'ung-shang. All allowed free trade in salt.

upon those districts where official salt only is allowed to be sold. This refers to the region north of the Chang river.

In February, 955, the Emperor said to his councillors: "A waste tax has always been paid on goods, rice, etc. It was one-tenth in addition to the tribute grain. But as there was loss on the way along the rivers it will be well to excuse them the extra tenth." The history here goes back to the after Tang period.

In the year 928 an edict was issued by the Emperor Ming Tsung stating that in the three capitals and in Chang-tê-fu,\* as well as in the whole country, villages included, from August forward in that year, when the crops were on the ground, a leaven tax of five cash on each mow should be collected; the people being allowed to make leaven and wine as they pleased for their own household use: but they must not sell their wine. They brought the money to the officers in summer and autumn at the cities mentioned and in the cities under the jurisdiction of which they were placed. But whether they resided in the capital or in provincial cities within legal limits, if they bought every year the leaven of the official brewers, they could make wine to sell for their own profit.

At the same time the rule of last year must be borne in mind. The wine manufacturers through the entire year only paid as wine tax one-fifth of the purchase money. Accordingly from August in this year, in addition to those wine brewers who pay the tax and carry on the trade, all sorts of persons are allowed to make leaven and brew wine for their own households. They must not on any account sell their wine to others. If they transgress this rule they will, on conviction, be obliged to pay the tax to which middle class brewers are liable. The village population were allowed to make wine for domestic use, but city people must buy the official wine. When this rule was promulgated, Kung Siun in

\* 業都 Yü-tu.

zeal for the law, put to death a whole family in Lo-yang city. A friend defended him, on the ground that his action was beneficial to the State, and the law ought to be carried out.

*Excise Laws in the Wutai Period.*

We are here in the region of excise. The Romans in the time of Augustus levied a tax of one per cent. on the value and called it centesima. It was reduced to half per cent. under Tiberius and was abolished by Caligula. In England beer, cider and perry were taxed by the Puritan government in the seventeenth century, and this system of taxation was retained by the Royalists. It was extended to embrace licences to kill game, act as appraisers and auctioneers, as sellers of patent medicines and manufacturers of tobacco and snuff. In England also printed calicoes, glass, bricks, candles, hides, soap and paper are all charged for under the excise laws. The entrance of the exciseman into the premises of private brewers and manufacturers of other articles was felt to be an intolerable grievance till the people became accustomed to it. It is now borne contentedly.

In the tenth century in China, the wine made was not distilled but brewed. It was manufactured from rice and other cereals. Distilling came into general use in the Yuen dynasty, and from that time spirits were so extensively made in North China that the old brewing process was much less used. Distilled spirit, the sam-shu of the Cantonese,\* has taken the place of brewed wine on account of its greater strength, but the old fashioned wine of the country as it was made long before the Arabs taught distillation, still holds its place at all high class banquets.

The leaven is called by the Chinese ch'u-k'ü or chiau-kiau,† and it is explained by the term diastase. When barley

\* 三 燒.

† 麴 or 麴 or 酵, kiau changed from kot and chü from k'ok mean high, as leaven means rise. In celsus, kel, and in high, hig, are the roots.

is changed to malt it is done by steeping it in water. The germ springs up after an hour or so and with it diastase comes into existence. Diastase can change starch into sugar. One part of diastase will convert 2,000 parts of starch into sugar. In mashing the brewer uses one part of malt to five parts of raw grain. Diastase is obtained by making a paste of malted grain at a temperature of 76 degrees.

When this paste has stood for a short time the liquor it contains is pressed out and filtered and afterwards heated in a water bath at 174 degrees. After removing foreign nitrogenous matter by filtering, almost pure diastase remains, and may be slowly evaporated till it becomes dry. In the brewery the sugar by fermentation produces alcohol. To add the British revenue £8,000,000 sterling are raised from 60,000,000 bushels. As a bushel is two-thirds of a picul, £8 is collected by excisemen from forty piculs. With such facts before us it is possible to understand why the Chinese in North China in the tenth century levied a small tax on leaven, or as we may call it diastase, and established an excise system. The Chinese tax-gatherer measured the land where the barley grew. The English exciseman enters the brewery where barley is steeped, gauges the barley and calculates the duty to be paid. Eighty-one and a half bushels of dry barley swell to a hundred after forty-eight hours when steeped in water.

In A.D. 939 the tax of five cash a mow on rice to be used in making alcoholic liquor was reduced to three cash. The edict said that an increase in the selling price was a penalty on the people who used it. They smuggled more in proportion to the advance in the price. Smuggling would be less if the price were low. This reduction would be gladly hailed by the people. They would cease to complain of the tyranny of government. With cheap prices the countryman will not wish to emigrate. He will cheerfully work in his fields and

dig his irrigation wells. Light taxation is a boon to the poor. This edict was a long one and treated on several subjects. It said that when the people were hard at work in favourable weather they would have no time to make wine. The tax would be levied in equal measure and they must pay it. It was making them poorer every day. Surely the State must by measures adopted to enrich the people remove their grounds of complaint.

The government ought to cease from the infliction of a tax which is unreasonable and think of other ways of raising money. When an error has been committed it should be corrected soon, to render further changes unnecessary. The government henceforth will have its own establishments for making alcoholic drink. Officers will be sent out to sell it at half the price that has been paid. In every city it will be sold in small quantities. In cities no private individual will be allowed to brew alcoholic drink. But in the country villages everywhere the people will be permitted to make enough for family use. When this edict was circulated there was great satisfaction in every community.

In A. D. 957 another decree treated on the same subject. It said: in every city where intoxicants are made from grain in official breweries it will be necessary to carry out the official prohibition of private manufacture. In each city from the time that this edict arrives all sales must be stopped. The quantity of intoxicants in stock will be estimated and the amount required in a year and made by the stamping process from time to time compared, while the wine seller waits for customers coming with ready money in their hands. It is hereby forbidden to sell on credit, nor must he use pressure to compel customers to buy so much as he judges from their position in society they ought to purchase.



*Finance Administration under the Wutai.*

In A.D. 923\* the higher ministers appointed Li Shau-hung to have the care of taxation and grain tribute books throughout the empire. He had authority to decide on questions regarding tax registers and appoint men to undertake certain duties. The prefects and city magistrates made to this officer payments on account of travelling expenses, which were so far from economical that censors commented on them with much freedom.

In A.D. 924 an edict stated that the finance† of the Board of Revenue so far as regards the collection of land tax in cash and grain tribute in kind would be entrusted to the Tsu-yung commissioner.‡ In this matter it is best to follow the example of the Liang dynasty. In 926 this action was reversed by Ming Tsung, the second Emperor of the after Tang dynasty. He restored the tax-collecting authority to the Board of Revenue and appointed a chief minister to hold directing power. In the year 930 Chang Yen-lang was made president of the Board of Works and also San-sī metropolitan inspector of taxes. He was before this a provincial governor§ stationed at Hū-chow.|| He was now in rank not much below the Siuen-hwei-shī,¶ who corresponds to the Nui-ko ministers of more modern times. This was the first instance of a finance minister to the Board of Revenue receiving the name San-sī-shi.

In the Tang dynasty and during the subsequent time the Board of Revenue had a department for consulting upon and paying out authorized amounts from the treasury. The currency and the conveyance of government salt and iron were in the hands of this department. A commissioner was appointed at the same time, named the Board of Revenue Expenditure

\*五代. 149, 5, 10.

†租庸使. Tsu, land tax. Yung, personal service.

‡節度使. Governor.

•宣徽使. Cabinet Minister.

†鹽鐵戶部度支三司.

|| Hū-chow, a prefecture in Henan.

Commissioner. The central government minister, then called the *Shang-shu-sheng*,\* gave instructions to this commissioner through its three officers—*Pen Si*,† *Lang Chung*‡ and *Shi Lang*.§

In the *Tien-pau* period, about A.D. 750, men such as *Yang Shen-ching*, *Wang Hung* and *Yang Kwo-chung*, one after the other, managed the currency. They proposed plans for collecting in the imperial treasury large amounts of the current coin. They also, by judicious flattery of the sovereign, *Tang Ming-hwang*, retained the control of the government expenditure. The title *Hu-pu-tu-chi* || was still retained by them. The old system was also kept on later by *Lieu Yen* and *Ti Wu-ch'i*, and each of the principal ministers had under him one revenue department. There was no fixed number of the revenue commissioners above described.

In 874 military operations were required, and to obtain money for the army a *Tsu-yung* land-tax commissioner was stationed at each important city, and it was his duty to decide where troops should be sent. These officers ceased to be appointed when the *Tang* dynasty came to an end thirty years afterwards.

In 907, under the founder of the later *Liang* dynasty, the chief control of the currency was entrusted to the *Tsu-yung* commissioners. In the next reign this arrangement was continued, but many persons felt aggrieved by the misconduct of the commissioners, and the short retention of power by this dynasty may be traced to this as the cause.

The Emperor *Ming Tsung*, of the later *Tang* dynasty, A.D. 926 to 934, undertook to correct the abuses which had arisen. Before leaving his carriage he gave the order to dismiss the *Tsu-yung* commissioners. One of the chief ministers was appointed to manage the currency, and his office had the name *Pan-san-si*,<sup>5</sup> regulator of the three currency and taxation

\*尚書省。†本司。‡郎中。§侍郎。||戶部度支。¶中書司。

departments applied to it. At this time Chang Yen-lang went to the capital from his post as governor at Hsi-how to take charge of the revenue. He spoke to cabinet ministers\* on the subject of his title. They asked that he might have the title San-si. The Emperor referred this point to the Council of State. Chung Shu† who replied that he should receive his old appointment of President of the Board of Works with the care of the salt and iron duties in the provinces, the conveyance of tribute grain and the expenditure department of the Board of Revenue. This advice was not agreed to by the Emperor. He decided that the title should be San-si-shi.‡

*Salaries in the Sung Dynasty.*

The Tsai-siang, or assisting ministers, included the San-kung§ or three dukes. These were the Tai Chung, Chung Shu and Shang Chu. Each of them received a hundred piculs of grain. There might be ten, twenty or even fifty officers entitled Tsai-siang in the Tang dynasty. This accounts for their receiving a comparatively small salary. Seventy persons as escort were allowed them. Sui-shen|| the ministers who formed a secret committee, Chi-shu-mi-yuen-shi¶ and those who assisted in the administrative council, Tsan-chu-cheng-shi,\*\* as well as those who were secret council deputy commissioners, Shu-mi-fu-shi,†† received a hundred piculs and were allowed an escort of fifty men. The most honoured of the ministers enjoyed the title Tai-tsi-tai-shi, Tai-tsi-tai-pau, Tai-tsi-tai-fu,‡‡ chief tutor of the heir apparent, chief protector of the heir apparent, junior instructor of the heir apparent. They each received 100 piculs and a retinue of 100 men: beside there was a pension, and they had monthly supplies of wood and charcoal, salt, wine, forage for horses and writing materials.

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*Land Measurement and Land Deeds.*

In the year 1072 a new mode of measuring was introduced. The Hu-pu was ordered to send out a rod to be used in measuring for land tax. The measurement was to be 1,000 pu each way. This gave 4,166 mow and 160 rods.\* Each year in October the magistrate appointed an officer to measure land in order to fix the tax on grain and on land to which the farmer was liable. The land was divided into five kinds according to its fertility or poverty and the tax varied according to the character of the land. After the measurement in the third month of the next year a ticket was given to each farmer if there had been no lawsuit regarding the land. This was called Hu-t'ie.† With it was given an account book which embraced the village to which the farmer belonged. This was the land-tax standard of reference. Ti-fu,‡ and it secured equality in payment. To add to the fixed amount payable of cash or grain was strictly forbidden. The tax was not levied on unproductive land, on roads, graves, rivers, or lakes. It had been the custom to levy the full amount of grain or copper cash upon remainders of land, rice or silk. Half a peck was counted as a peck; half an ell of silk was taxed as an ell; this was forbidden.

At the corners of a square of land a heap of earth was raised and a tree was planted upon it to serve as a land mark. The account book of the village, the constable's certificate and the householder's certificate were referred to when demanding the taxes or the tribute of grain or silk. The square of land had its own account book also. When brothers divided property, or when land was sold or let on lease, the magistrate gave a k'i § or certificate of sale. The magistrate entered the deed in his register, pu.¶ This system came into

\* The rod is 步 pu, measuring five short feet.

† 戶帖 House certificate. ‡ 地符.

§ 契 This is the same word which is now used as a house deed, 房契 Fang-k'i or land deed, 地契 Ti-chi. 簿.

operation in 1072 in consequence of the edict. In Kū-yê in Shantung, a city under the jurisdiction of Tsi Nan Wang Man was instructor or Chi-kiau-kwan\* and guardian of Kū-yê,† but he copied the system established in the cities on the east of the metropolis. Then in 1073 an edict divided land into five kinds as above stated. Should there be doubt as to the class to which any land belonged the appeal was made to the magistrate; and he decided on the principle that the nature of the soil of the greater part should determine the amount of tax due for the whole piece. There must be equality in the decisions of the magistrate, nor must the decision be followed only for five or seven years as formerly. Four officers were selected to bring the new system into use. They travelled in the seventeen districts on the east of Kai-feng-fu. Each of them had his own circuit, and he kept his post for three years. He had two superior and three inferior constables under him for each 4,166 mow. The householders were collected, and they assented to the number of rods and acres for which they were liable to be taxed. The quality of the land as fertile or poor was decided by the measuring officers, Fang-tien-kwan.‡ With the help of the constables in the region near Kai-feng-fu as a centre and in the provinces the quantity of land in each case and the amount of land tax was definitely fixed.

If the autumn crop near the capital was short by one-third or more of what it should be, the system of measurement was liable to be abandoned for a time in that district. If the crop was fairly good the system of measurement kept its place, although there might be some deficiency. The police superintendent, Ti-kū-si,§ asked the Emperor to allow the measurement system to continue in use. In 1082 the pre-

\*指教官.

†軍界.

‡方田官. These are the four special officers above mentioned.

§提舉司. Special officer for land tax business.

fect of K'ai-feng-fu stated in a memorial that the new system of measurement for land tax was open to objection. The collection was unequal. Ten years would be required for the needful investigation. Only two districts could be investigated each year. There were nineteen districts in his department. He asked that each year the amount of land measured for land tax for five districts should be reported. To this the Emperor gave his consent. The investigation went on. Mountains and woods caused difficulties. There needed to be intervals in agricultural activity and in good harvests; otherwise the work of inquiry was not an easy one. After eight years the Emperor saw that the officers caused discontent among the people and he issued an edict to stop the inquiry. The whole amount of land registered was 248,434.900 mow or 41,405,481.6 acres throughout the empire. This was in the year 1085.

*The Emperor's Anxiety to Extend his System.*

The Emperor Shen Tsung gave close attention to this question. He wished to know the merits and defects of the measurement of land as conducted according to the rules he instituted. He arranged that the land tax officer, T'i-kü-si,\* should keep a land register, so that no deception might be practised as to the exact size of each piece of land on which land tax was levied. A ticket was entrusted to the householder or farmer, on which the number of mow and quantity of corn produced with the fragments of a mow and of a pint of corn were entered. The farmer could not wrongly state the quantity of grain in pints, pecks and bushels he must give as tribute, nor the size of the farm for which he must pay the tax, nor could the tax gatherer make overcharges; because the register was kept by the magistrate. An edict required the T'i-kü-si\* and Ch'ang-ping-si† by care in choosing officers,

\*提舉司.

†常平司. An appraising officer who keeps prices constantly even. At present the traders fix prices. No officer does this.



Siuen-kwan,\* to do their best to promote the efficiency of the new law. The magistrates of departments, chow, and of district cities, hien, were also directed to take advantage of years when the harvest was good to extend the observation of the new system.

In the Sung dynasty the word sheng, now used for provinces, was the title of the office of the chief statesmen in the capital, such as Shang-shu-sheng and others. Provinces were known as lu.† For example the lu on the east of the metropolis contained three chief departments—Ta-ming, Kai-te and Ho-kien-fu—eleven secondary departments, chow, five inferior departments, kiün, and fifty-seven district cities. For the region on the north of the metropolis a Chī-kiau-kwan‡ was appointed, who had the charge of three districts. It was the same for the region on the west of the capital. In each there were two examiners of land, Tien-kien-kwan.§ But soon another edict said that in any one province there should not be more than three men entitled Chī-kiau-kwan.

#### *Failure of the System of Measurement.*

The land measurement system was not acceptable. Many tenants of land preferred to emigrate to some other province. Cases had occurred when two hundred mow were entered in books as twenty mow. Two hundred and ninety-six mow had been represented as seventeen mow. This happened at Jui-kin-hien. A bribe had been given. At Hwei-chang-hien land tax amounting to thirteen cash had been raised to 2,200 cash. A land tax of twenty-seven cash had been charged 1,450 cash. An edict was issued directing that the commissioner for correcting errors in taxation, Ch'ang Ping-kwan,|| should make inquiries and report. The prefects and district magistrates urged the people to return to their lands. Waste land was offered to tenants. This was done by order of the Emperor,

\*選官。 †路。 ‡指教官。 §點檢官。 ||常平官。

A.D. 1120, who said the magistrates might cease from the measurement of land. Let them be content with what had been accomplished. They should now collect revenue on the old lines. They were directed to remit unpaid taxes due from tenants who had left their lands rather than pay the sums demanded and were willing to come back.

The payment of taxes may be early or late. The produce is greater in one district than in another. The tax in one locality may be small in amount and it is made up for in another locality where there is a better harvest. The time of payment is postponed where the harvest is late. This is required by consideration for the paying competency of the farmer. The departmental officers in reporting the land tax levied on householders use the word *ting*\* for persons twenty years old. Men of sixty years or more are reported as *lau*.† It was forbidden for them to levy taxes on articles not grown in the region. Since the Wutai period, A.D. 907 to 960, it has been customary to note what land is actually under the plough. The tax is levied on such land only. Cunning and greedy tax gatherers do not rate the tax fairly, and on this account farmers migrate, abandon their fields and leave them to become barren. When Chau T'ai-tsu, the founder of the Sung dynasty, won the empire, he announced by edict that the people must be allowed to occupy their land without being called on to pay too much land tax. The amount of tax, said the edict, is to be determined by the quantity of land now occupied by the tenants, *tien*.‡ Officers are sent to the granaries in the capital where tribute grain is stored. They also go to the provinces to receive the taxes from the people. It is their duty to see that too much is not demanded and to punish those who claim more than the law requires; they may even be executed in the market place according to the old system. When the collection is made

\* 丁.

† 老.

‡ 佃.

by the prefects they give over the amounts to the district magistrates, and the clerks prepare a balanced account.

It may be that the clerks collect too much and bribe the clerks or writers of the prefect. In that case they recoup the money thus spent by overcharge on the people. The people then feel deep resentment.

In the year 1130 an edict strictly forbade all such corrupt practices. This edict came from the Emperor Kau Tsung, who after the loss of Kai-feng-fu through the vigour of the Kin Tartar generals, removed his residence to Hangchow. The prefects, he said, in receiving land tax, must not add in the least to the sum due.

#### *Taxation, Weights and Measures.*

In weighing, small remainders must be neglected. The money required is the current copper coin. The silk stuffs are measured by the foot. The millet is measured by the sheng.\* Raw silk is weighed by the tael. Fuel is entered as so many trusses. Gold and silver are valued in copper cash. If woven silk is less than a piece or less than half a piece the tax is to be charged only for so many whole feet. Part of a foot is not to count as a foot when the tax is calculated. Land tax is chargeable for the whole foot only. Parts of one cash are not to enter into the calculation. Half or a quarter of a cash are not to be charged. The same principle is carried out in the measurement of woven silk and of all sorts of grain, and in weighing raw silk, gold and silver and all articles on which the tax is levied by weight, nor was it permitted for three or five families to be charged in the lump so as to make up a piece of silk, and justify the tax gatherer in demanding duty on one more piece, because this would lead to aggrieved feeling on the part of the people. The Emperor heard that when the summer tax was levied and the tax gatherer came with an as-

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\* Sheng 升, a pint measure.

sistant to measure lengths and weigh catties and piculs, a good deal of dissatisfaction was felt. He decided therefore that instead of sending the tax gatherer with his weights and measures, the able and experienced elders of each locality should be called on to help in the revenue collection, so as to avoid injured feeling among the ratepayers, and aid the government in a substantial manner. The account books in the offices of the prefects were kept by subordinate officers, who were called *Tu-shī-ts'an-kiün* \* and *An-shī-p'an-kwan*, † assistants who wrote out documents, gave advice, consulted the interests of the army, considered the circumstance in each law suit, and gave decisions subject to revision. For houses other tax registers were kept and the officer known as *T'ung-p'an* ‡ had charge of them.

#### *Taxation Registers.*

There were three terms in the year limiting the times when taxes were due. Half a month before each term the tax was paid and at the new year the autumn collection was finished. The magistrate was warned by the officers of the prefect to have his tax registration book ready. Every hien or district had a register of houses, *Hu-tsi*, § and a book for entry of summer tax and autumn products and his tax accounts were presented to the prefect (*Chow*) and by him checked by comparison with his books. The prefect's seal was impressed and the return thus ratified was deposited in the office known as *Ch'ang-li-t'ing*. || The tax return of the district magistrate, *Hien-tsi*, ¶ was also stamped at the prefect's office and entrusted to his subordinate known as *Tso-tsa* \*\* assistant scribe. The summer tax book is dated from the New Year and that of the autumn from the first of the 4th month. Both are finished within forty-five days. In the seventy districts

\* 錄事參軍. Writers who gave advice in army matters.

† 按視判官. Officers who examined cases brought into court and gave decisions on them.

‡ 通判.

§ 戶籍.

|| 長吏廳.

¶ 縣籍.

\*\* 佐雜.

of the metropolis the old date for commencing the collection of the summer tax was the 15th of the 5th month, and it ended on the 20th of the 7th month. The harvest season is later in the cities of the Ho pei and Ho-tung\* provinces. The collection began on the 15th of the 5th month and was finished on the 20th of the 8th month. The collection of taxes for the thirteen cities in the Yingchow prefecture, as well as in Kiangnan, Chekiang, Fukien, Canton, Hukwang, Szechwen and Shensi began on the 1st of the 5th month and ended on the 15th of the 7th month. The autumn tax began to be levied on the 1st of the 9th month and the collection ended on the 15th of the 12th month (January); afterwards one month more was allowed. Sometimes, too, the intercalary month occurring made a difference. Field crops and silk worms do not wait till the intercalary month is over. The proper officer petitioned the Emperor to modify the date of collection accordingly when the occasion required that he should do so.

At a later time it was fixed that the greater part of the autumn tax collected in the provinces Ho-peï and Ho-tung was assigned to the support of the army on the northern frontier. The collection in Kiangnan (south of the present Kiangnan), Chekiang, Hupei, Hunan, Canton, Fukien, levied on mountain rice chiefly, which is reaped in November, was ordered to begin on the 1st of the 10th month. The tax gatherers were liable to penalties if they passed the fixed time and had not finished the collection. The penalties were greater or less according to the circumstances. Their rank in the scale of promotion was subject to addition or subtraction of so many points as their merits or faults demanded. When farmers migrated rather than pay the tax they might, after a fixed time, return if they could name sureties and recover their land. They were not to be forbidden this privilege.

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\*河北, 河東.

*Commutation and Appraisement.*

The tax in the central province, if it was a tribute of twenty piculs, could be commuted by substituting one oxhide or 1,000 cash. In Szchwen the old system still prevailed. Should oxen and asses die, their hides were all confiscated. This law was abrogated. The edict said that if the land tribute was assessed for 200 piculs one oxhide as a substitute would suffice or 1,500 copper cash. In A.D. 977 the Treasurer for Kiangsi stated in a memorial that in his province silk worms and mulberry trees were scarce, while gold was exceptionally cheap. The people suffered loss if silk fabrics were appraised at a low rate, while the revenue was insufficient if the value of gold was rated too high. According to the old system the best gold\* was priced at 10,000 cash a tael or ounce.† Gold at that time was as cheap as this, because there was much of it. It is now worth four times this amount, because gold is more used than it was for various purposes and because it is exported to purchase foreign goods. The more women there are in the country the greater is the quantity of gold needed for head ornaments, and the greater too is the amount of gold, which to please their love of idolatry, is expended on images. Traders love to have ornamental boards carved with gilt letters to advertise their shops. All classes in the summer time use fans ornamented with gold if they can afford to buy them, so it is that in various ways gold has risen during the last nine centuries to its present value.

The treasurer prayed the Emperor to reduce the price of gold from 10,000 cash to 8,000. He also prayed that the price of the best woven silk fabric should be raised from 1,000 cash a piece to 1,300 cash and that the selling price of second

\* There are three qualities of gold—best, second best, and inferior.

† The price of gold stated in cash at present—August, 1904—is 34,320 cash if we take the value of silver as compared with gold at 1 to 39.



best and inferior silks should be increased in proportion. As to the prices of other articles the same memorialist asked that a tariff should be established by edict which would increase or diminish market values of various goods as circumstances should require. The Emperor accordingly issued an edict in agreement with this advice.

*Attempt to Equalize Taxes.*

In the year A.D. 1000 Ch'en Tsing, an officer of the Board of Punishments, was made land agent for the territory near the capital, and he was directed to take land measurements to equalize the taxation. He was called Kiün-tien-shī \* and had authority to send out metropolitan officers to assist him in measuring the land belonging to each city and in making calculations under his direction. He was in the edict ordered not to add to the tax already appointed. Any surplus † was not to be counted as authorising an increase in the taxation. He kept a register of runaway farmers and he was directed to command the sub-prefect Pen Fu ‡ to invite them to return to their holdings. Attention must be given to mulberry cultivation. It was too much neglected, and the farmers must be called together and informed that they ought to plant more mulberry trees and extend the silk weaving industry. The Emperor afterwards heard that the farmers misunderstood the imperial edict and proceeded to cut down mulberry trees, both the kind called sang and that called che.§ He therefore withdrew the edict.

In 1003 Feng Lien, treasurer for Canton, complained to the Emperor that the people in several cities in his jurisdiction cultivated the ground but refused to go to the expense of conveying the tribute grain to the capital. He sent measur-

\* 均田使.

† 剩數.

‡ 本府. As that time the Fu magistrate was subordinate to the Chow magistrate. The reverse of this is now the rule.

§ 桑柘 Sang-chê The want of popular education is here very apparent.

ing officers to inquire and to convey to the refractory farmers an order that they must pay the whole of the taxes due, including expense of conveyance. The Emperor said in reply, these people reside at a great distance. It is right to relieve them of miscellaneous taxes.\* He directed that no further steps should be taken in this case.

*Privileges Granted to Farmers.*

The prefect of Yuen-chow in Kiangsi, named Ho Meng, asked that the people in his prefecture might be told to pay their summer and autumn taxes in gold. The Emperor Chen Tsung replied that if the people were obliged to pay in gold they would cease from their farm labours and wander about searching for that metal. He refused the prayer. The same Emperor began to reign in the year 1008. On account of the harvests being very good in successive years at that time, he issued an edict exempting Hupeh and certain other provinces from the obligation to convey tribute grain to the frontier for the support of the troops there; grain from a distance was not required. Permission was given to each farmer to convey his tribute grain to his prefectural city and no farther. He would there deliver it to the tribute grain officer. In the year 1009 rules were made for the procedure of secretaries of prefects and district magistrates in regard to the distribution of official rewards to house and land holders who responded to the invitation to return to their holdings. The old rule was, that subordinate officers who by invitations added to the number of house and land holders, should receive promotion and an addition to their pensions.

The temporary holders of land and houses differ from permanent occupiers. Temporary occupiers were excused from taxes, but they were registered. By edict of 1011 registration without payment of taxes was forbidden.

\* 徭賦, Yau-fu.

In 981 an edict had been issued requiring the people in Hunan and Hupei to pay a personal service tax, *shu-ting-t'sien*.<sup>\*</sup> Persons not of full age and old men were exempt as also cripples and maimed persons. The same rule was in the year 1009 extended to Chekiang, Fukien, Canton, Hupei, Hunan, and the amount remitted was 450,400 strings of cash.

In 1016 an edict arranged that farmers in bringing their tribute grain to the receiving magistrate could exchange millet, wheat and buckwheat one kind for another, but this privilege was allowed only once in the year. If they wished to make the change for the second crop they were not permitted. In the account books tribute grain was the heading. The measure was a hundred catties or a picul. Cash were entered as so many strings. Silk textile goods were counted by the piece; gold, silver, raw silk and silk yarn were entered by weight. Fuel consisting of rice straw and brushwood was entered as so many armfuls. In the year 997 the total collection was 70,893,000 cash, and this, when compared with the amount in 1022, yielded 6,453,000 after taking account of additions and subtractions from time to time made.

#### *Mildness of the Sung Administration.*

When the Sung dynasty in 900 subdued the various kingdoms which had existed during the Wu-tai period the legislation was strongly marked by a desire to lessen the people's burdens. The many sums which in successive decades of years had been exacted without legal authority were all cut off. Nothing was heard from this time of an addition made of a foot to the tribute silks or a bushel to the tribute millet. When drought or floods occurred the personal service tax was no longer required.<sup>†</sup> *Yau-yi-tsè-kiuen ch'u*. There were services which must be rendered by the people, but even these, if any year's harvest was highly unfavourable, were excused,

<sup>\*</sup>輸丁錢.

<sup>†</sup>徭役則蠲除.

Changes take place in ownership of land, tenants conceal themselves, boundaries are not marked between this plot of land and that, investigation was not made. Through these causes the revenue became less than in former times. Ting Wei stated in a memorial that in some localities the tribute received was one-twentieth of the produce and in other localities one-thirtieth.

### *Kind Feeling of Jen Tsung.*

In the year 1023 Jen Tsung succeeded to the throne, and by edict granted to farmers below the third class that they need not convey their tribute grain to a distance. The Shensi cities Ho-chung-fu and Hwa-chow petitioned for the privilege of exemption from the obligation to send tribute grain to a distance. The Emperor asked the opinion of his councillors. They replied that on the western frontier the troops cannot subsist without a regular supply of grain, and this must be obtained from the people in the form of tribute. The Emperor therefore ordered the treasurers to diminish the charge for conveyance to the army and to levy a greater or less tax under this head as each locality was distant or nearer.

### *Government Land Assigned to Farmers.*

At Fuchow a land holder of the Wang family had more than 100,000 mow under his superintendence. The land was called government land, Kwan-chwang.\* About the year 980 the government sent him an order authorizing him to employ farmers to cultivate it. They would be expected to pay taxes annually. The Treasurer Fa Yün-shi, † named Fang Chung-sün, said the land was public property, Kung-ti'en. ‡ If sold it would yield a large sum. The Emperor, to arrange the sale, sent Hing Wei-king, an officer who had been engaged before in assigning public lands to soldiers to cultivate. He obtained for the land, when sold, 350,000 strings. This

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\* 官莊.

† 發運使.

‡ 公田. That is, common land.

amounts to Taels 350,000 if we estimate the string of 1,000 cash as worth a tael of silver. It is at present, July, 1904, worth 1,100. The Emperor ordered the amount to be reduced by one-third. Within three years the price was to be paid in full. Chu Kien, a censor, said this was too heavy a charge on the people and it ought not to be enforced. On the expiry of the three years the amount of strings paid was less by 128,000. When this was known the Emperor cancelled the remaining sum due. Later an edict said that on this land, formerly public, a tax would not be levied.

*Petitions for Exemption.*

The prefect of Pei-chow, in Chili, near the Shantung border asked for exemption from additional land tax when a piece of land was divided between two owners. This second tax was called a penalty tax. Other prefectures had not this impost. The Emperor granted exemption. From this time forward the prefects and magistrates of many cities very commonly asked for exemption from various small imposts. From the Tang dynasty onward, during the Wu-tai and the early Sung the farmers had become subject to various imposts additional to the land tribute. They were called Tsa-pien\* and Yen-na.† miscellaneous or customary taxes. They were entered in the books Chang-tsi‡ year by year. The people felt it to be a grievance. In the year 1033 the Emperor in the spring proceeded, according to custom, to plough his own thousand mow of land§ and thought of the people's grievances in regard to their land. He ordered the San-si office ministers to reduce the miscellaneous taxes to one heading. All the extra imposts were expunged and the taxed articles were divided into two classes, distinguished as cheap and dear. The people gladly welcomed this act of the sovereign.

\* 雜稅.

† 沿納.

‡ 帳籍.

§ The Emperor's thousand mow of land is called the Ts'ien mow tsi-t'ien 千畝籍田. Tsi is register.

*Additional Tax Registers.*

On this account the prefects and magistrates when entering the taxes in their books each year provided another book with blank columns. K'ung-hang-pu.\* by pointing to the entries in which they could urge the people to pay their dues at the proper time. There was another book for use in the intercalary month when it occurred. This was called the Shī-hang-pu.† They placed them under the care of a superior magistrate.

In the year 1023 an officer represented that the Shī-hang-pu was useless and opened the way for annoying the people by extra imposts. The new Emperor therefore forbade its use. In 1034 Han Tu, a censor, stated to the Emperor that it would be well to use the Shī-hang-pu because the T'sui-k'o-pu ‡ might be lost and it would be convenient to have a supplementary book containing the successive entries. The Emperor decided that when the next intercalary month came the book in question should be introduced.

In the year 1041 the old system was again adopted. At this time the taxes were felt to be too heavy and the Emperor ordered the governors of provinces to report the amounts of taxes, so that the two chief ministers in the capital might examine them and recommend reductions to be made. Another edict said that the tax collectors in their books sometimes falsely represented that the farmers had migrated or that they had sold their land, whereas the keeper of the register wished to benefit himself by inserting the name of another tenant. They also represented that farmers had asked for public land if they could have it free from taxes. If the magistrates directed their assistant (Tso-tsa) to investigate these matters and should succeed in adding to the revenue the assistant would be rewarded as the circumstances justified.

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\* 空行簿. † 實行簿. Book with blank columns for completing the year's entries.

‡ 催科簿. Book for demanding taxes.



*Equalization of Taxes.*

A censor, Mang Su, stated that taxation was unequal in its incidence on the people. He asked that it might be equalized. On Yang-sien at the same time urged that the Mi-sha-cheng minister,\* Sun Lin, in conjunction with Kwo Tsi, should be commissioned to measure the land anew and equalize the taxation. They found that the land ruled by the Tsai-chow prefect amounted to 2,623,000 mow. In this prefecture the taxation was equalized. But because Kwo Tsi reported that many farmers concealed the amount of their land and that it was impracticable to complete the measurement, seeing that it only gave trouble to the holders of land, the Emperor stopped it by a new decree.

In Shensi and Shansi (then called Ho-tung) there was fighting, and the greater part of the tribute grain went to support the soldiers. On this account the collectors demanded conveyance money from the tax payers in proportion to the distance. The people complained that they were not able to bear this impost. In A.D. 1945 it was ordered that the Shensi people should be exempted and that it should not be again imposed. After a time the same privilege was granted to the Shansi people. Also the treasurers in their capacity as conveyance managers when they changed the grain for money or for other products were directed to announce the fact to the people half a year beforehand on proclamation boards. If the change should be inconvenient to any persons they were at liberty to state their objections and the treasurer could withdraw the tax.

About 1050 it was ordered that the grass cloth of Kwangsi should be valued at 200 cash a piece. Should the magistrate fix a lower value the governor must require him to retract his charge and rate the cloth at 200 cash. It happened

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\* 秘書丞. A rank next below prime ministers.

sometimes that the magistrates of cities reported rain abundant and the prospect of harvest good. Afterwards damage befel the crops and the magistrates did not dare to forward despatches stating that their forecast was erroneous. On this account the people lost the chance of the withdrawal of taxes. The Emperor reprimanded the officers in a special edict. He also reduced the taxes of districts adjacent to the metropolis, Kai-feng, to the extent of three-tenths of the former charge, and this reduction was to be inserted in the code of laws.

The tax for change of locality and of product and for a change from grain to money, pressed heavily on the poor. On account of their complaints in A.D. 1034 it had already been ordered by edict that the very poorest should be excused.\* Persons without families and living alone were also excused.

At this time (1050) an exemption edict was issued and treasurers were ordered to carry it into effect. At the end of each year they were required to state to the Emperor what they had done. They were also, when calling on the people, to change this or that article for money or for some other product, to be sure to estimate values with great fairness,† so as not to be unjust to the farmer. After some time another edict said: We have heard from the provinces, that when products are changed for money by the revenue officer, while fixing the amount the people should pay, he very frequently requires them to change this product for that, or else he rates the value too high, thus treating unfairly the industrious farmer. This he does, although repeated warnings have been given. Too often he fails to carry out the plain meaning of the imperial edicts. In future should this happen the prefects are hereby ordered to report the facts at once. In Hu-kwang, Fukien, and Chekiang the old system was followed, and each year copper cash and rice

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\* The families were divided for taxation purposes into nine classes. The poor here referred to are the ninth.

† 折科爲平估 Chê-k'o-wei-p'ing-ku.

were both collected, but in 1008 an edict abrogated the personal service money charge and retained the tribute rice. In 1023 the personal service money tax was remitted in Wu-yuen in An-hwei, and at Kia-hing in Chekiang. Not long after Pang Tsi petitioned the governor of Fukien to remit the army grain tribute at Tsuen-chow (Amoy), Changchow and Hing-hwa. This was met by a firm refusal. In 1051 the Emperor ordered the San-si ministers to reduce the grain tribute in the Lin-yang prefectures and in Kwei-yang, all in Hunan and Kwang si. Though the reduction on the individual was small it amounted in all to more than 100,000 piculs. In consequence of this the Tsinsen and other prefectures just mentioned also obtained a reduction. In 1059 the treasurers were again ordered to fix at a reduced rate the taxes to which the people of Liu-chow, Yung-chow, Kwei-yang, Heng-chow and Fan-chow were liable on rice, and silk goods as well as cash calculated *ad valorem*. The poor were excused altogether. Those farmers who had property were relieved of one half the impost.

After these acts of grace the children, when they grew to adult age, were not taxed. Yet in Kwang-si the personal service exemption tax, or poll tax as it may be called, was still imposed. To remedy this grievance the treasurer was ordered to send up a report. This he did, and after this the sum demanded was trifling. On account of the Emperor having ordered the scheme of Kwo-tsi for the equalization of taxes to be abandoned critics said of the government that they showed pity for the people in regard to present matters, but failed to provide for their happiness in future.

#### *Additions to Tribute.*

In 1049 the amount of cultivated land through the empire was 41,700,000 more than in 1004, but the tribute grain was less by 718,000 piculs, plainly showing that taxation was not equalized and there was a loud call for reform. After a time

the prefect of Tsang-chow (south of Tientsin) equalized the tribute of Wu-ti, a subject department, making it 1,152 piculs, etc.; the name is mentioned as that of a small state added by Kwan Chung, B. C. 600, to the Tsi duchy. The prefect of Po-chow in Shantung equalized the tribute of the departments of Liau-ch'eng and Kan-t'ang. He made it 14,847 piculs and pieces. The people of Tsang-chow complained of overcharge. In consequence an edict reverted to the old rate of levy.

In 1060 a new edict ordered the measurement for over-taxation to be again carried out and officers were sent to the various provinces to make measurements accordingly, but Kau Pen, a second class cabinet minister, when engaged on the survey felt that it ought not to be continued because the people opposed it. The equalizing ordinance was carried out in a few prefectures, but was stopped by orders from the capital. In 1004 the tribute amounted to 49,169,900 piculs and pieces and in 1049 an addition was made of 4,418,665. Then in Ying-tsing in 1064 another addition was made of 14,179,364 piculs and pieces.

#### *Reductions of Tribute.*

On account of imperial clemency in remitting tribute when the people complained the amount of tribute which was remitted in 1004 was 6,829,700, piculs, etc. In 1049 it was 338,451 and in 1064 it was 12,298,706. These are the sums remitted during several years and special acts of grace on account of drought and flood are not included.

#### *The Reign of Shen Tsung, 1068 to 1086.*

The Emperor Shen Tsung gave close attention to the tribute due from farmers. In Hu-kwang from 1008 on several occasions taxation was diminished, but it remained unequal. In 1071 one of the officers who place soldiers to work on T'un-t'ien lands was sent to Canton to learn the system of grain and other forms of tribute in that province and modify the Hu-

kwang tribute in accordance with it. In 1079 an ordinance required the officers in all the provinces to make changes in the direction of levying money taxes in place of tribute in kind. They were also directed to state in their reports to the cabinet the month and day when the change had been made. They were, half a year before the date of the change to money, to notify it to the people by proclamation so as not to give trouble by an abrupt alteration in the levy of tribute. The magistrates in many places postponed the date of levy and the order was repeated to restrain them.

The prefects and magistrates in some instances obliged the farmers to pay cash instead of grain. This was called Chê-hu-tsien,\* the hu being a picul in some cities and half a picul in others. But if the officer appraised the grain at too low a rate injury was done to the farmer. In Hainan on the south there were four departments. The troops in garrison had not enough grain to support life. The tax registers were disgracefully deficient in entries. Subordinate officers added or subtracted as they pleased. Taxes due by one farmer were made due by some other. The books did not show clearly who was the tax payer and how much was due. The personal service tax and rice due to the Chang-hwa† regiments of Hainan Island were assigned to the Chu-yai‡ regiments. The tribute grain needed to be conveyed to a greater distance, and of this the people complained because they were required to pay the conveyance tax. There was an investigation. The grain tribute officers recommended that the soldiers' grain should be supplied according to the old system in two departments. In the other two departments the proposal was that cash should be paid instead of grain. At Chu-yai the people should be relieved and the officers should convey their own grain.

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\* 折斛錢. † 昌化. Flourishing renovation. ‡ 朱崖. Red cliff.

An officer of the Board of Revenue—Li Tsung—was sent down to Kiangsu and Chekiang to investigate the number of delinquents in the tax paying registers. They reported that there were 401,300. Next year—1076—there were deficiencies through migration, false entries, the union of two farms in one, and omissions in the registers amounting to the number of 475,900. The registers of those who paid their taxes and of those who still owed their tribute, showed that the revenue for these provinces amounted to 922,200 strings of cash, piculs of grain, pieces of woven silk, and taels of raw silk, etc. Li Tsung now entertained a wish to reward the tax officers by large gifts of cash and grain so as to induce them to increase the collected tribute. In consequence of this the people felt much oppressed, and were greatly excited when at Tang-chow the tax was increased.

It is the duty of prefects to urge the people to cultivate vacant land, and some of them did this with commendable diligence. When men came from a distance in response to invitation to occupy new land they were told that four parts in a hundred of the produce of the land would be required as tribute to the State. This being a light impost they gladly paid. But afterwards when all the vacant land had been taken up, Chai Sī, a censor heard that the treasurer in Chihli raised the tribute to one-fifth of the produce. In a memorial to the Emperor the censor represented that the people would certainly migrate rather than bear so heavy a burden, and he recommended that when the tribute was increased it should be done with due consideration for the people, and no more should be demanded than they were able to give.

The Emperor, when drought or floods were reported, reduced the tax at once, or he excused payment altogether, or if the circumstances demanded that this ought to be done a promise was given that the tax would be paid back if the farmer



had no harvest. The revenue would not materially suffer. As to inequality in taxation the Emperor sent commissioners to inquire and make suitable arrangements, so that there might be fair treatment to all.

*Currency and Prices in the Reign of Che Tsung, 1086 to 1101.*

In 1086 the new Emperor was a minor. The Empress-Dowager administered public affairs on behalf of her son. She tried to benefit the people by her measures, and when the people were in debt for their taxes she often remitted a part. But times were not favourable; many of the people were behind in their payments. There were too many sorts of taxes and the laws differed in one locality compared with what they were in another. Wang Yen-sow, prefect of the metropolis, asked leave to equalize the taxes according to the quality of the land. Good land would be charged so many strings. Poor land would be charged so many hundreds of cash. The prefect of Yen-chow, in Shantung, thought it would be better to levy a uniform charge of one-tenth of the produce to be paid by instalments in five years. This he would collect in sums of one hundred during each summer and autumn. The treasurer of Shensi recommended that in addition to every tenth of a picul of tribute grain eighteen cash should be paid as a conveyance tax. A censor objected to this proposition. The Empress referred the case to the Board of Punishments and they advised that the obligation to convey tribute grain should be proportioned to the distance of the farm from the tax office. Farmers were divided into five classes. The first and second conveyed the grain 300 *li*. The third and fourth classes conveyed the grain 200 *li*. The fifth conveyed the grain 100 *li*. Those farmers who did not wish to convey the grain and preferred to pay a tax were divided into three classes. In Shansi those farmers who were required to supply food for men and horses in the army were not to be

obliged to send grain tribute to a greater distance than 300 *li*. When half or more of the crops was spoiled by drought or flood the farmer was not required to give an equivalent for grain tribute in coin. The old rule for change of grain to money was to be followed.

In 1094, in the ninth year of Chê Tsung, the order was given to prefects and magistrates that the full number of cash should be required in some places and that a discount might be allowed in other localities. In changing grain for money coins of moderately good quality should be accepted. The price of grain is liable to constant changes. A fixed appraisement is not practicable. It was therefore ordered that the old rules should be followed.

This legislation was criticised. Men said that if the farmers were to be prevented from migrating, grain ought to be stored in large quantities in the city granaries. In order that this might be done a watch should be maintained on prices and grain should be bought and sold to advantage and exchanges allowed of one kind for another as the appraiser saw to be advisable. At present, the critics added, although prices were watched and exchanges of one kind of produce for another or for money were made according to the appraiser's judgment, yet the prices paid were, as a rule, moderate and the people were unwilling to bring their grain to sell to the receiver. If the manager of the granary were considerate and disposed for peace when buying grain and rated the value at the actual market price the people would not suffer loss.

*Currency and Prices under Hwei Tsung. A. D. 1101 to 1126.*

In 1103 it was found possible on account of abundant harvests to raise the price of field produce. When fixing the value this was accordingly done by express law. But as to the removal of grain to localities where it was needed, the exchanges

of old grain for new or of low priced grain for high priced, or the purchase of grain in one locality for use in another,—in all these respects the old law of 1068, when Shen Tsung was on the throne, was followed. If the people brought to the granary officer small millet, large millet, woven silk, or other produce in order to cancel their old taxation liabilities, this they were allowed to do.

In the seventh year of Hwei Tsung, A. D. 1108, an edict said that in paying land and grain tax the rich would pay first and the poor afterwards. The privilege of contributing one kind for another was granted and those who lived near would pay before farmers at a distance. Grain tax managers neglected their duty and demanded too much from one rate payer and too little from another. It was therefore ordered that since grain needs to be forwarded to support the army of the frontier, it must follow that in regions near at hand the amount of grain saleable must be limited. Since the despatch of grain cannot be omitted, the people were allowed to take their choice. They might convey the produce they owed to the locality where it was needed, or they could pay at the place where they lived the amount required for conveyance. If they preferred to pay in money they were allowed to do so and they must do so according to the price ruling in the first ten days of the current month. The price was to be a fair average one, but it would fall or rise according to the abundance or scarcity of the year then passing, and the appraising officers must on no account alter the price for their private advantage.

In the month of August another edict said we have heard that neglectful tax collectors change the day of payment. They require payment of taxes before they are due. They want silk for example before the silk worms have spun it and grain before the farmer has reaped it. The payment of one villager after another is unnecessarily hurried by these officers,

so that the people do not know how to satisfy them. Henceforth if any one is guilty of this misconduct, he will be punished by one bad mark; if he causes any of the people to leave their land, he will be punished by another bad mark. The old rule was that if taxes were remitted, the amount remitted must not exceed three-tenths of the whole.

In 1110 it was ordered that if no taxes were paid for five years and if there was no tenant the debt should be cancelled in the tax registers. On the west of Kai-feng-fu there had been no charge for conveyance of grain tribute to a distance. There was no obligation of this kind. About A. D. 1104 the manager of grain conveyance said unexpectedly that a charge ought to be made. It had, as a favour, not been required, but by law it ought to be paid. From this time it was regularly levied. The tax for each tenth of a picul of tribute grain would be fifty or sixty cash. For the conveyance of 260 lbs. weight a string of 1,000 cash was required.

We may compare this state of things with what existed in 1078, thirty years before. The conveyance tax has become regular, and there is very frequent change of grain for money. The people are oppressed and sell their ploughing oxen and their store of grain. Yet they cannot meet the tax gatherer's demands. The treasurer joyfully adds the money collected to the revenue to obtain from the government the Emperor's approval of his good management; but critical observers said he was really injuring the state.

In 1112 an edict was issued requiring conveyance of tribute grain and other articles, but if the grain was less than one-tenth of a picul no money for conveyance should be demanded. Soon afterwards any of the five classes of farmers who might be liable for taxes were excused from liability to pay if the amount was less than the tenth of a picul.

At this time it was noticed that the population returns were defective. An audit officer for comparison of the return

had been appointed. At the end of the year if any intentional omission was detected in the amount of taxation due as stated in official registers, a punishment was awarded. If any crooked statements had been made straight, and any errors corrected, suitable rewards were bestowed.

Tsai Yew and others pointed out that in Tê-chow and Shochow only four persons were returned as occupying three houses. There was plainly an attempt to conceal the number of persons residing there. An edict was therefore issued requiring the judge of the province as *Ti-hing sī* \* and the *Ti-kü-chang-ping-sī*, † the manager of granaries in each province to audit the returns before they were transmitted to the court. Yet this measure failed to remove the evils complained of and it remained true that the land and grain taxes were unevenly levied.

In 1136 the revenue of Kin-hwa, Kia-hing, Hu-chow and P'ing-kiang was 228,000 strings of cash. The articles of tribute were changed. A fixed number of pieces of silk were appraised and changed for cash and the tribute went forward, partly silk and partly copper coin.

In 1137 the cities and lands through which the Emperor passed were, by edict, excused from paying the tribute due by them before the year 1135. The troops belonging to newly-recovered cities asked to be allowed to cultivate public lands. They were permitted to do this and it was decided that they should pay land tax. They were excused from the other tribute required from ordinary farmers. In 1139 the army tax, ‡ gifts of produce with the silver and silk offerings required on occasion of an imperial marriage or burial, were all remitted. In 1135 Liu Yü, when he usurped the throne, ordered that vegetable gardens and orchards should pay a tax every season, except winter. This was objected to as inconvenient. It was

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\* 提刑司.

† 提舉常平司.

‡ 軍稅租.

said that Liu Yü's taxation was most distasteful to the respectable gentry of Honan. It was too much. The land tax, grain tax, raw silk tax, silk skein tax, fruit tax and vegetable tax were all required. The Hangehow Emperor ordered the usurper's printed laws enforcing this system of taxation to be publicly burned at the crossings of the streets in the cities lately recovered.

In 1143 the governor of the Hwai-tung province, Han Shichung, advised the Emperor to require tribute to be collected from certain lands which had been granted by Emperors, and from certain privately owned lands which hitherto had not paid tribute. This was approved with an encomium on the proposer.

The General in command of the Shen-wu western brigade, named Chang Chiün, asked exemption from tribute for his land. This was readily granted him. He had bought it at a fair price. The metropolitan high officers objected because there was still war with the Kin Tartars. The army needs to be fed. The sovereign is very full of pity for the people and remits taxation in the case of the respectable classes of persons belonging to the imperial clan and of the ordinary classes of farmers. The Emperor favours all alike, but what is the army to subsist upon? Why should one man be favoured and not others? If every general asks for exemption how is his request to be denied? We beg the sovereign to withdraw the grant to Chang Chiün. This was done. After a few years the same General asked exemption for silk he had bought at a fair price. The high ministers asked the Emperor to grant him each year 5,000 pieces of woven silk such as he had bought. This they did to prevent a practice becoming law. The Emperor showed the memorial to the General and said: I should have willingly granted your request, but I fear the ministers would recommend me not to consent. Chang Chiün was flurried and declined the gift.



*Treasury Notes in Place of Tribute.*

In 1145 the Board of Revenue recommended the use of of treasury notes. This practice grew up in the Hwai-an province. One kind were issued by the Board of Revenue. They were received by the people at their face value and were used in payment of tribute. A second kind were issued by the city magistrate and were cancelled in the books by the officer in charge of their department when they had run their course. The third kind were mint certificates. The provincial mints issued not only copper cash but notes managed by an officer called Kien\*. Such notes were the same as coined money.

The mint officer took charge of the notes when presented. The fourth kind was called the Chu-chan,† stoppage or check notes, because they were duplicate notes kept in the treasury, to be used for revealing the deception of counterfeit notes when such were presented as tribute. Should the magistrates' notes be injured, destroyed or lost, the mint notes and check notes were cancelled. The punishment of the bastinado was awarded to any officer who wrongly seized the treasury notes which were in the possession of the people or went into their houses to search for them.

In 1162 when these notes had been in circulation thirteen years it was decreed that when the people offered them in place of taxes or articles of tribute the officer must at once cancel tribute entries in his books. Should he not do so, whether he were an officer who had the duty appointed him or one of inferior rank, he must be punished according to law. Also if the people brought Board of Revenue notes and the presiding officer refused to receive them, or should he charge amounts higher than what was just to the tribute paying farmer, he would be rated as disobeying the edict and punished accordingly. He was not to be pardoned, and so it was recorded in the book of laws.

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\* 監.

† 住鈔.

*Currency in the Reign of Hiau Ts'ung, 1163 to 1190.*

In September of the same year the Emperor Hiau Tsung in his first edict said he would not tolerate any extortion on the part of tax collectors. Those who claimed from the people more than the law required would be punished severely and the property of the guilty persons confiscated. In 1164 the prefect of Kiang-chow in Kiangsi asked the Emperor to allow the remainder due of 100,000 strings to be paid out of the summer grain tribute collection. The same thing was repeated by his successors.

In June an edict said that the country people living away from the sea and from rivers belonging to the prefectures of Wen-chow, Tai-chow, Chu-chow and Hwei-chow, should be allowed to offer silver in place of grain and silk, whether in the summer or autumn collection, and if the collectors understated the market value of the articles of tribute they should be punished as guilty of stealing.

In Hupei the land was best cultivated on the borders of Hunan in the neighbourhood of Ting-chow and Feng-chow. The number of farmers in the lands of the adjoining cities was very small. The cities were King-chow, Yo-chow and many others. Many emigrants came from Kiangnan carrying their aged parents and their young children. They asked the magistrates to grant them land. They emigrated because there was much uncultivated land in those parts and the tribute asked was not heavy. In the year 1176 it was represented to the Emperor that in Hupei the people to a large extent arrived from a distance and occupied official land. Many persons think they should pay tribute. A large revenue may be in this way secured. But it ought to be considered that the revenue is chiefly collected from Kiangsu, Chekiang, and Anhwei. Hupei appears to be a wide and thinly populated territory. If farmers from a distance are invited they may take alarm and decline. The collection of tribute prevents

their coming. The gist of the advice rendered was that the invitation should be freely given; nothing should be said of summer and autumn tribute. If many farmers arrive and extensive areas go under the plough good years will come and plentiful harvests will open the way to support the army on the frontier. Let the rule of 1146 be adopted. Land may be offered to farmers on the tithe principle, but only one per cent. should be asked at first; in the second year two per cent. may be collected, and so on till a tithe is arrived at. If the people are unwilling they can leave for another locality where there are not the same restrictions. It will be well to allow the farmer time to pay the tribute if he needs more time. People from a distance, when they settle down in a new home, should be made to feel happy. So a whole province may be kept in tranquillity. The Emperor ordered the Board of Revenue to give their opinion on this memorial.

In 1175 the councillors said: Your majesty has repeatedly remitted tribute which had not been brought in wishing to relieve the poor farmer. But the magistrates fail to carry out your majesty's kind thought. They change one sort of tribute for another. The grain tribute superintendent should be commanded to settle the question whether there ought to be exemption. The sub-prefect should not be expected to collect the exempted tribute, nor should the sub-prefect look to the city magistrate to collect it. The exemption should be plainly entered in the tribute registers and the particulars ought to be announced to the people.

In 1176 an edict said we have had prosperous years and bountiful harvests. The farmer has ploughed diligently. The women who tend silk worms have performed their duties industriously. If the prices of wheat, rice and silk are too low how can the farmer and the farmer's wife be repaid for their trouble? When bringing their produce they ought to be allowed to present their grain and silk without being forced to

change them for copper cash at the rate named by the officer. Changes, if made, should be in accordance with law. There are prices fixed by law for grain and silk. Collectors must not require produce to be received at rates higher than these. If they do this they will be severely punished. This edict was cut on stone at Hangchow. Every province had it engraved on stone in the chief city where all might read it. A copy was sent for this purpose, obtained apparently by the modern process of taking copies from engraved monuments.

In 1178 Chu Hi, the philosopher of Nan-kang, when called upon by edict to give his opinion, replied as follows: The summer and autumn tribute paid to the Emperor is all used for the support of the army. Then magistrates in the cities have no remainder. They therefore originate new taxes not legally appointed. These they collect from the people who, being poor, feel the taxes to be heavy. What should be done is to count the number of the soldiers and extend the area of the military colonies. The people should be trained in military exercises, so that it may be possible to diminish gradually the number of soldiers who are supported by the State. The more support themselves by farming the less will be required for the support of soldiers under the magistrates. By such measures the treasuries of the provinces will be replenished. Opportunity will then be given to forbid extortionate exactions on the part of collectors and to compel the magistrates to be kindly in their treatment of the poor, who will be able to gain a living for themselves and be saved the sorrow of migrating in search of another home.

In 1179 an edict said that the superintendent and prefect are hereby directed to recommend for promotion those officers who avoid annoying the people when collecting taxes. Should the higher officers observe that collectors or magistrates injure the people let them send up their names for punishment. In 1190 some memorialists said that the ancient law of China

in the levy of taxes from the people required them to pay what they had and not what they had not. Now matters are different. Silk fabric, when doubled in quantity, is changed for copper cash. When double quantity is offered a second time it is changed by the appraiser for silver; the people find silver hard to buy. To obtain copper coins is still more difficult. Wheat and rice are not easy to sell. Should it be a good harvest it is hard for the people, seeing that to sell their produce is not easy. These memorialists recommended that an edict should be issued stating that prefects and magistrates who levied too heavy a tribute or appraised the value of articles of tribute too highly should be severely punished, also if the people could not sell their produce the public granary officers should buy it. Later on if the harvest was poor the granary officers should sell grain to the people at a low price. The people would not then suffer and the government would reap a benefit. This advice was accepted and an edict issued in accordance with it. At this time the enemies of the people and the thieves of the revenue were the Li-sü,\* subordinate officers and the Lan-hu,† brokers of the time. The Li-sü, as servants of mandarins, took advantage of their posts as collectors to enrich themselves by adding to legal taxes and insisting on unauthorized payments. The brokers who acted for any persons who needed the help of a notary or commission agent also made their clients pay far more than was required when tribute claims had to be met.

*Currency in the Reign of Li Tsung, 1225 to 1265.*

The advice given to the Emperor in A. D. 1238 in order to circumvent the crafty action of greedy taxgatherers was to announce remission of taxes for the following year. The people would know on the publication of the edict exactly how great a reduction was to be made from their land taxes.

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\*吏胥.

†權戶.

The taxgatherers would therefore with difficulty cheat the people of their money, their grain or their silk. In 1248 a memorial said the kindness of the present dynasty to the people has been conspicuous, but the restraints exercised by the administration have not been sufficient. The summer and autumn taxes have been exacted ever since the Ta-li period, A. D 766. It is a heavy burden on the people to pay these taxes year by year. How much more when the magistrate borrows from the farmers the amount of their taxes for the next year, or for the next year but one, or even for the next year but two or three. At the present time, he added, there are magistrates who have borrowed taxes for six years in advance. A farmer who has a hundred mow of land, if he expended all his property, would not be able to advance on loan to the magistrate six years' taxes. When we meet with statements of this kind it becomes morally certain that there were no banks at that time from which magistrates could occasionally borrow money to meet the calls made on them by their superiors. The memorialists recommended four measures: 1. First that of Hia-how Tai-ch'ü who, by uniting prefectural cities, gave to district magistrates the power to address the Emperor directly. 2. The second measure was that of the early Sung, A. D. 428, which aimed to impress on the magistrate the duty of keeping his district in peace by tranquillizing the minds of the people. 3. The third measure was to keep in constant operation the laws as fixed by the founder of the Sung dynasty so as to maintain the credit and authority of the dynasty. 4. The fourth measure was to retain the invigorating energy of the Emperor Kwang Wü, who made Cho Mow\* chief minister with the title San-kuang,† so as to diffuse through the officers of government a healthy *esprit de corps*. If this is done it will be possible to introduce clearness into the registration books, to prevent wasteful expenditure, to put an end to illegal

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\* 卓茂.

† 三公.



demands on tax payers and to cease to draw loans from the farmer. By this action there would be a remedy found for the people's grievances.

*A New Attempt to Use Paper Money.*

In the year 1128 the use of treasury notes or paper currency was again resorted to. This was at Hangchow, then made the capital. It took the form of notes representing so many copper cash. They were issued by the officer who had charge of punishment, the judge, Au-ch'ia-shi, of the Manchus. In 1132 a law stated that the manufacture and circulation of counterfeit notes should be punished by the military officers. The officers were called Wei-tsau-ch'iuén p'ang.\* The notes called Ch'au-pang are explained below as representing so many thousand cash. A tax of ten cash was levied on each thousand, so that if the note represented five thousand cash the tax amounted to fifty cash. The full name was Ch'au-pang-ting-t'î-ts'ien.† The deputy sub-prefect known as Tung-p'au 通判‡ was authorized to manufacture and sell land and house deed forms. Old deeds were ordered to be all exchanged for new ones. In December there were not enough for the demand, and an edict directed the prefects and district magistrates to sell to the people notes of the revenue board hu-t'î.§ The people were told that they must bring to the magistrate a written statement of their property in land and houses, with a view to the levy of taxes. This operation was proceeded with very slowly, and the officers consequently fixed a price. They called it an act of purchase from the Emperor on the part of the people. The richer property owners would pay 30,000 cash. Men of moderate property paid 1,000 cash. The poor families in Fu-kien and Canton paid a sum proportioned to their comparative poverty. Within three months the collection would need to be completed and

\* 偽造券旁.

† 鈔旁定帖錢.

‡ 通判.

§ 戶帖.

forwarded to the capital. Should drought lead to a loss of crops reaching to as much as four-tenths of the usual amount the decision of the Emperor as to any remission must be waited for.

In 1161 the collection of deed taxes in leasehold and freehold property amounted to seven-tenths in the metropolitan region and three-tenths in the provincial districts. A deed tax for wills and for the purchase of land to be used for burial was resolved on. The collection amounted to 4,670,000 small strings. (Yin is the word.) The contributions on the frontier in eight prefectures, as well as in the Hupei prefectures, Kweichow, and Luchow with others, in all nineteen, were included.

In the same year the manager of the Sichwen finances asked the Emperor to allow an increase of taxation in that province to meet army expenditure. It was called Li-hien-kü-ts'ien.\* In the year 1169 Tseng Hwai, president of the Board of Revenue, stated to the Emperor that the collection of this new tax yielded several million strings of cash. Wuchow† yielded a sum amounting to 300,000 strings. In other parts of the country this matter had not been attended to. An edict ordered that white deeds, as they were called on account of their not having on them the official red stamp, must be presented to the officers within three months after the time when they were written out. Within a hundred days the deed tax must be paid. The Tung-p'an‡ arrested those who failed to do this. The Tsung-chi then collected the tax according to the register and forwarded the money, amounting to 10,000 strings. Those persons who gave information leading to conviction were rewarded with greater or less sums according to the requirements of the case. Persons who did not appear within the prescribed time or

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\* 立限拘錢。

† 通判。

‡ 婺州。

§ 總制。

This is now called Kin-hwa-fu, in Chekiang.  
Viceroy.

failed to pay the tax when due, might be denounced by any one who knew it, and punishment would be inflicted according to law.

In the year 1179 a copy of the laws made in the Ch'un Hi period was presented to the Emperor, and in this he noticed that there was a tax on contracts to use boats and carriages drawn by camels, donkeys and horses. He ordered this to be expunged, saying that people would be remarking in after times that in the Ch'un Hi period even boats and carriages were taxed by the State.

In the year 1129 Chang Chiün was viceroy of S'ichwen and Shensi. In conjunction with Chan K'ai, the treasurer who provided funds for the army, he also controlled the trade in the tea and horses of S'ichwen and Shensi. The finance of S'ichwen was at that time managed by an officer styled Si-shi\* and another called Yi-li.† They used their authority as high officials to collect the taxes of three provinces—Shensi, Shansi and Honan. In 1130 the tax managers collected in the autumn the tribute known as Fang-ch'ang-ts'ien,‡ which was under the Ch'ang-p'ing-si.§ In this year the first tribute collected consisted of 330,000 pieces of silk. After a time the war on the frontier with the Kin dynasty terminated for a while, and this tribute then ceased to be required. In 1146 a reduction was made of the tax called Li-yen,|| amounting to 30,000 pieces of silk. But in Eastern and Western S'ichwen the tribute of 300,000 pieces of silk was still required to be paid in full. The three provinces—Shensi, Hotung and Kingsi—embracing parts of Honan, Hupei, Shensi, and Shansi, were required to offer a tribute of 300,000 pieces of silk. Second class grass cloth was commuted to cash at the rate of 200 cash a piece. The people were very well satisfied with

\* 西師. Western General. † 益利. Adding profit. ‡ 均場錢.

§ 常平司. The officer who keeps prices even throughout the year.

利義.

so fair an appraisalment, but from this time forward the officers ceased to give copper cash, probably from the lack of them in the treasury. The governor now ordered the people to bring three-tenths in cash and seven-tenths of the cloth tribute in the cloth itself. In a year 700,000 pieces were brought by the people and in cash 2,000,000 small strings. The word Yiu\* is here again used. In 1195 this amount was reduced by edict to 1,300,000 small strings.

***Loans to Farmers returned were used to support  
the Army, A. D. 1195.***

We are then told that the money lent to farmers in the time of the Emperor Shen Tsung and since the Tsing-miaut-sient† had been accumulating, principal and interest, in the charge of the officer, C'hang P'ing-si, whose duty it was to reduce to the people the price of rice when too high. In 1127 the farmer loan money reached 80,000,000 strings. This sum was now applied to the support of the army. The tribute rice entered under the heading Tui-ti-mi,‡ the wine tax and the salt tax were additional sources of profit to the treasury. In former reigns they amounted, in addition to the ordinary grain tribute, to 29,680,000 strings of cash. Tea was an additional item. The army was now well provided for and the Sī-hwen people began to feel oppressed. In 1135 Si Yi was made governor of Sīhwen. He appropriated cash due to the army at a certain time. The Treasurer Chau K'ai represented this to the Emperor. Several times an extraordinary increase in the notes representing amounts of cash was made, but the army still had not enough. It was in 1136 by a memorialist, Feng K'ang-kwo, represented to the Emperor that in Sīhwen the productive land was on the whole narrow. The people were poor. In the days of their ancestors the administering officers, when the tribute was too heavy, lightened it.

\* 引.

† 青苗錢.

‡ 對糴米.

When it was too light they increased it; on this account during an entire century the people were content. Recently the grain tribute manager and the governor have combined to alter the old system. They have introduced many changes, levied more taxes and have so annoyed the farmers that many of them have left their holdings and sought new homes. The memorialist urged the Emperor to order a return to the old system. The Emperor approved and issued an edict accordingly, adding that the high officers must carefully inquire into any failure to carry the edict into effect.

*The Administration in Sichwen and the Wealth of that Province.*

In 1138 Li Tai, a high minister, Lung-t'u-ko-chi-hio-shi,\* who had been made metropolitan treasurer, Tu-chwen-yun-shi† directed the grain tribute officers of four provinces to supply the army with money and grain, but they were not to tax tea. Thus a burden fell on the Sichwen farmers, who therefore condemned this system of collecting duties. In the winter of the same year Chang Shen, manager of the tea and horse taxes of Sichwen, and Li Tai, asked and obtained leave to sacrifice to his ancestors, Tsing-t si.‡ In 1138 Chang Shen and Ch'en Yuen-yen were each of them appointed to discharge the duty in Sichwen of assistant governors. On account of the decease of a parent Si Yi resigned the post of Hio-shi and cabinet minister. Chau Ting, chief minister at that time, was dismissed and Tsin Kwei, the advocate of peace, with the Kin Tartars, became prime minister with sole power.§ This is the same man who was the cause of the imprisonment of Yo Fei, whose bravery and excellent strategy would, it is believed, have defeated the Kin Tartars and reconquered North China for the Sung dynasty. In 1139 a treaty was made and peace secured. Low Chau, a member of the Shu-mi-yuen, as the Cabinet was then called,

\* 龍圖閣直學士

† 都轉運使.

‡ 請祠.

§ The house of Tsin Kwei in the present Hangehow has become the Yamen of the treasurer of the province and is specially commodious and handsome.

was sent to Shensi for money. He brought back 4,000 taels of gold and 200,000 taels of silver, which he paid into the Kishang treasury. The money was obtained from Sichwen. Chang Tau was prefect of Cheng-tu, chief city of Sichwen and was governor of the province at the same time. The Emperor said to his chief councillors: Chang Tau can be trusted with plenary power, and he can diminish the burden of heavy taxation from which the province has suffered. The Kin Tartars invaded Shensi and Sichwen in 1141 after the death of Chau K'ai, the manager of taxes who had supplied the army with sufficient money and provisions. His administration was so successful that the officers engaged in managing the affairs of the province did not venture to change the system he had established and employed; but the burdens on the people were, during ten years, heavy. The salt, tea, and wine tax were added to the tribute in woven silk. There were reductions from time to time, but the grievances of the people were not redressed, and it was a common saying that Chau K'ai was the first to introduce the system and that he was not the people's friend. At that time Shensi and Sichwen were placed under one high officer, Cheng Kang-chung, who not long after offended the Minister Tsin Kwei and lost his post. In 1142 he sent to the Emperor ten thousand taels of gold, probably all of it Sichwen gold. In 1145 he asked the Emperor to relieve the Sichwen people of 320,000 strings of cash levied on them for conveyance of rice. He would urge them to pay in full the tribute of 20,000 pieces of woven silk, and would advocate the removal of the additional wine tax, amounting to 34,000 strings of cash. He also recommended that the Sichwen collection of 500,000 strings, made by the Tsung-chi officer, should be applied to the support of the army on the frontier. A reduction was made in consequence of the report of two commissioners in the grain tax of Sichwen, amounting to 2,850,000 strings\* of cash. In

\* The number of cash in a string is not mentioned. The word tau 道 is used for a string.



two divisions of Sichwen which produced grass cloth the tribute was reduced to a value of 365,000 strings. The province of which Kwei-chow was the capital paid a salt tax amounting in value to 76,000 strings of cash. The conveyance tax for rice was remitted to the extent of 420,000 strings of cash over half of Sichwen. In 1152 the Tsang-ling so<sup>\*</sup> of Sichwen recommended in a memorial that the sums owing in that province should be excused by an act of grace.

In the year 1147 the appraisement of rice counted amounted to 1,290,000 strings of cash. The amount of rice owing was 98,700 piculs. Woven silk was due to the extent of 14,000 pieces. After the peace the amount of cash owing was each year reduced to 462,000 strings. The Emperor still thought the amount due was too oppressively large. He therefore in 1154 sent two commissioners to arrange the taxes in a manner favourable to the people. In the previous year Fu Hing-chung and his associated officers had reduced the silk tribute by 280,000 strings. These with 120,000 and 400,000 for rice conveyance, salt and wine taxes, 740,000 strings and 9,000 additional pieces of silk, amounted to 1,600,000 strings, excused by the sovereign on account of the impoverished condition of the people.

In the years 1140 to 1153 the tribute owing was in all 2,920,000 strings or about 3,000,000 taels of silver, and the sovereign by edict ordered the people to be excused from paying it, but Fu Hing-chung, his commissioner, having plenary authority, increased the amount due by the people, who deeply resented this conduct on his part. In 1156 the amount due was, by edict, reduced by one-half through the four divisions of Sichwen. In 1157 the new governor recommended a reduction of 50,000 pieces of silk due from Kwei-chow and some adjoining cities. Another amount was owing of 282,000

\*總領所. This tax office was instituted by the Prime Minister Ts in Kwei.

strings, fixed by appraisement as representing silk tribute from that part of S'ichwen (four streams), then known as Liang-chwen (two streams), as well as 109,000 piculs of rice due from the people of Sanchwen (three streams). The tribute silk of P'ung-chwen and Ch'eng-tu reached the number of a thousand pieces. This and 4,620,000 catties of tea which had been added to the taxes by Han Chien, the Emperor was also asked to excuse the people from giving. Further the manager of the tea tax collected interest yearly amounting to 950,000 strings. This was called H'ü-ngo-ts'ien \*

***Grass Cloth and Silk Tribute. Loans to Farmers and Weavers.***

In the year 970 an edict by the new Emperor required from each locality a tribute of raw silk, woven silk, and grass cloth sufficient for the needs of the government during two years. The officers were forbidden to demand more than this. When the P'eng-chow governor in Kwangsi asked the Emperor to allow land tax and raw silk to be changed for woven silk offered in tribute, to be appraised at the fixed government value this was refused by Chau Tai-tsu, the Emperor. In 976 the second Emperor closed the imperial weaving factory at Huchow, where fifty-eight women had been employed. In S'ichwen and Shensi the Emperor prohibited the purchase of silk and hemp woven fabrics beyond what was needed for clothing the troops. Purchase from the weavers direct as well as from the imperial weaving factory was forbidden. Sale of woven goods by the people themselves was allowed. When in the spring there was a lack of woven goods Ma Yuen-fang, of the Hu-pu, said it would be well to lend money to the people. They could return it in the form of woven goods in the summer and autumn to the officers. In A.D. 1010 the treasurer of Hu-pei said that in his province the troops needed 700,000 pieces of silk in each year. The people

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\* 虛額錢

lack copper cash to buy silk. They borrow money from rich persons and pay double interest for it. When the day comes for paying tribute in addition to grain tax they pay what they owe to the government, and in consequence it is but a poor return they obtain for their skilled labour. He asked the Emperor to sanction a loan of money equal to the value of the woven tribute fabrics, and this, when the work was finished, would be returned in tribute cloth. In this way the revenue would be sufficient and the people would be satisfied. The Emperor in response ordered the money lent to be liberal in amount.

From this time in the provinces this principle was adopted in appraising tribute articles. If the silk in any year was poor in quantity and quality, wheat and barley were taken instead of articles of silk. Also other miscellaneous taxes\* were remitted. In 1023 one-third only of the embroidery and figured silks required from two divisions of the Sichwen prefectures were demanded from the people by the officers. This was by express edict. In 998 the Kwangsi treasurer represented in a memorial that grass cloth, was the only woven manufacture in his province. Instead of demanding silk it would be preferable to accept grass cloth, appraised at 150 cash a piece or from that to 200 cash. This would be, according to the old price of silver, about a fifth of a tael or ounce. A tael of silver at present, September, 1904, buys 1,300 cash. The silk cloth of Teng-chow and Lai-chow in Shantung was in the eleventh century valued at 1,360 cash a piece. The silk cloth of I-chow in Southern Shantung was worth 1,100 cash.

In 1082 the Board of Revenue reported the amount of the annual collection to be 8,161,780 taels of silver and pieces of tribute cloth, silk and other kinds with 3,462,000 strings of cash. In 1094 the yield of silk and cocoons in Chekiang was poor.

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\*The granary waste tax and the levy on cash called 頭子錢 *T'ou-tsi-ts'ien*.

When bought at a fair price the tribute portion was collected. The order was given that the low class farmers should bring their tribute in cash or exchange it for woven silk, such as was stored in the treasury. The edict also said the treasurer should make use of the cash paid in to buy gold and silver. When the production of silk and cocoons was good, he was directed to buy woven silk crape, and lustring to send to the court. In 1098 at Hiung-chow custom house in Yunnan the grass cloth presented was of inferior quality. The officers in charge were degraded a few steps in official rank and their bad marks were moved upward some points calling for exertion on their part to recover their position. The value of the cloth was lessened below what they had made it. Such cloth as they had accepted was not in future to be received.

A cabinet minister said in audience that many of the people wished to receive money in advance. It would be well to increase the number of cash given and the official value in any year should be the standard. The next year the woven silk would be purchased and forwarded to the palace in the capital with a written list. This proposal was objected to by a metropolitan officer, a second class secretary.\* He said the profit made by putting out to interest the money thus lent was many times more than its average value in the market. The people say they are unhappy. How can they be represented as wishing for the loan of money? The addition should be withdrawn. Instead of aiding the people it was a device for obtaining more of their hard-earned money by demanding from them a large amount of silk and grain. Another metropolitan officer said: Many of the people on the north (Chili) and east of the capital have left their farms and still do not return. The treasurer in the eastern and western provinces does not merely collect 2,000,000 pieces of woven cloth. He buys more than the law lays down as the proper amount. A stop should be put to this

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\* Yuen-wai-lang 員外郎.

injurious practice. In consequence the Emperor Hwei Tsung ordered that no addition should be made to the cash lent to the farmers. When the cocoons were ready and the wheat was harvested, the officers in charge would open offices for receiving taxes and appraising the productions of the people's industry.

About 1104 in the various provinces when money was advanced it was allowed to all persons to repay the loan by whatever produce they obtained on their land. This was the right of all, rich and poor. In the eastern section of Sichwen containing the gorges the amount collected was fixed by the maximum in the years 1078 to 1080; the reign of Shen Tsung being taken as a sort of standard. It was then that Wang An-shi was in favour. The rule for the amounts owing by defaulters was the same as before.

In Kiangsi the official purchase,\* Ho-mai, amounted each year to 500,000 pieces of silk. The early method of appraising was to give three-tenths in cash and seven-tenths in salt. When notes representing so much salt came into use salt ceased to be given; its place being taken by what was paper money which, while its face value was so many catties of salt, was either unpopular or else the supply failed, the consequence being that a want of copper cash was felt. The treasurer fell into the habit of giving a greater proportion of cash and fewer salt notes. This went on for five years and was the cause of injury to the people, who were required to give their thick and thin silk cloth without payment, and besides cash supply being limited their market value rose.

#### *Official Sale of Salt in Kiangsi.*

In 1107 an order from the Emperor Hwei Tsung said Feng-chwang† cash are to be borrowed from those officers, Chu-si‡ who possess them in the Kiangsi province to the extent of

\* 和買.

† 門樑. The upright post of a door. Feng is paste on paper as a seal.

‡ 本路諸司. Pen-hu-chu-si.

100,000 strings and another amount of 100,000 strings in the hands of salt officers in neighbouring provinces. The last represented amounts of salt. The appraising officer, Ch'ang-ping,\* stated to the Emperor that in his province of Kiangsi cash had not been given in exchange for local products, and it would be convenient for the treasurer, if the Emperor approved, to obtain cocoon salt (as it was called from its shape), sufficient for a year's use, by purchase from elsewhere. When farmers came to the tribute office with a request for salt it should be given. In the ten prefectures of Kiangsi the procedure should be to appraise a piece of woven silk at twenty catties of salt or 900 cash. This amount should be given in the last month (i.e., January) in advance to the farmers. Every family was then supplied with salt.

Twenty catties were priced at 900 cash, so that salt was in the twelfth century appraised at forty-five cash a catty. This shows how the people were oppressed by the government at that time. The governing officers kept the salt supply in their own hands. Then as now it was in itself one of the cheapest of articles. At Tientsin two cash buy a catty and in Moukden province a catty is bought for four cash. It was raised to the value of forty-five cash by the officials, who required money. The Kiangsi treasurer had not enough salt and the officer who imported it, Fa-yün-si,† was directed to convey sufficient for the province during a year. All the salt due to the people for their produce was then provided for.

*The Supply of Silk Goods to the Metropolitan Treasuries.*

In 1107 the chief government yamên, Shang-shu-sheng,‡ represented that the supply of silk and grass cloth goods in the Ta-kwan treasury was insufficient. The provinces were ordered to supply silk goods each in the proportion of its wealth. From 1,000 to 20,000 or 30,000 pieces were required

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\*常平.

†發運司.

‡尚書省.



to be sent from each province. In 1108 the Ta-kwan treasury was supplied with 80,000 pieces from Honan, Northern Kiangnan, and the Kiang. The Yuen-feng treasury was supplied with 40,000 pieces of woven silk from Sichwen, Kiangsi, and Southern Kiangsu supplied the Chung-ning treasury with 40,000 pieces. The city magistrates each of them distributed salt to the value of 6,000 cash among the people who engaged at the right time to bring their newly woven silk goods to the extent of six pieces. Before the time, however, it happened in Kiangsi and Southern Kiangsu that the people needed to be urged to promptitude. The consequence was that not a few deserted their farms. The guilt for this ill-success was laid by the Emperor on the officers.

In Hing-jen prefecture the duty paid by householders and farmers on succession to property in houses and land amounted to 142,000 strings. Beside this they gave 1,000 pieces of woven silk. To bring less by one-half of this number was allowed. From Chekiang there was collected a revenue from woven goods, whether thick or thin, silk and hemp, a market tax, a levy of forty cash in a string, beside some other levies intended to furnish salaries to mandarin servants.

#### *Silk and Money Exchange under the Hangchow Emperors.*

In 1129 when the Emperor Kau Tsung had recently removed to Hangchow and established his government there the deputy treasurer Wang Tsung said to him that the annual silk revenue amounted for Chekiang to 1,177,800 pieces. The piece might measure as at present, about thirty to thirty-five feet. Each piece was valued at 2,000 cash. The practice of exchanging cash for woven silk began in the south-eastern part of the empire at this time. The Emperor ordered the officers when purchasing silk goods to advance the value in cash at once on loan to the weavers. He also ordered a reduction of one-fourth on the appraisement of the silk goods;

the cash were to be paid at once. All persons disobeying were to be punished as the law directed. We do not read here of salt being supplied by the officers to the people. The sea gave salt to the inhabitants and an official monopoly would not have been easy to maintain.

In 1131 at Ting-chow\* in Hunan 60,000 strings of cash were exchanged for silk woven fabrics which were required to supply the troops at Ts'ai-chow in Honan. At about the same time the summer tribute grain in Chekiang, together with the woven silk amounting to 1,600,000 pieces was, to the extent of one-half, to be presented in copper money rated at 2,000 cash a piece. In 1132 it was ordered that in all the provinces one-half of the tribute silk and woven silk fabrics should, as in Chekiang, be brought to the Emperor's officers in the form of cash. From this time forward the tribute of silk cloth paid half in kind and half in cash, began to be regularly presented in this form in Kiangsu, Anhwei, Fukien, Canton, Hupei and Hunan. The annual tribute from Kiangnan, Chekiang, Hupei and Eastern S'ichwen, in thick woven silk (ch'ow) amounted to 390,000 pieces. In Kiangnan, S'ichwen, Canton, Hunan and Chekiang, the pongee or thin woven silk (chiüen)† reached a total of 2,730,000 pieces. Eastern S'ichwen and Hunan produced damask, fine net, and shī‡ lutstring, 70,000 pieces. Hemp cloth made in Western S'ichwen and Kwangsi reached an amount of 770,000. Embroidered silks, such as Kin-ch'i or brocaded silks were made in Ch'eng-tu, the capital of S'ichwen, to the number of 1,800 pieces. Embroidery includes the addition of peculiar patterns. These are inserted by a third man perched on a high stool above the loom. The chief weaver sits at the foot of the loom. He has an assistant who moves from one side to the other when required. This second man puts in the pattern, aided by the man above, who holds the upright threads.

\* 鼎

† 絹

‡ 綾羅絕. Ling is thick damask. Lo is in fact a fine net. Shī is not now made.

*Tribute in Kiangsu and Chekiang.*

In A.D. 1133, when Kau Tsung was reigning at Hangchow, after being in that city six years, he allowed the percentage of cash to be surrendered in place of thin silks to be three-tenths and the silk itself to be seven-tenths. The reason of this was the difficulty the weavers found in procuring cash. The Hungchow\* prefect in Kiangsi recommended that eight-tenths silk and two-tenths cash would be a better division. The amount of cash paid in tribute was 3,000 for his prefecture. In 1134 General Hu Shi-tsiang, having a governor's rank, advised the Emperor to allow 6,000 cash to be given in by the weaver in place of a piece of thin silk (pê) and so reported to government. Also he said that as the price of chüen silk was unusually high, it would be best to make the duty payment 5,000 pieces for the province of Kiangsi. The Board of Revenue made it 6,000 pieces. The censor Chang Chi yuen said in audience that Kiangsi had been the scene of battles and unrest. The people had fled. The thin silk fabrics could not be purchased. Cash should be collected instead. To this the Emperor assented. Each piece was to be rated at the value 5,000 cash, so that the old price must have been 2,500, and 5,000 for Kiangsi was more than the Chekiang collection by 1,500 cash a piece. The Board, however, made it six strings. In so doing they increased the levy just when the people were little able to bear it.

This censor continued his argument by saying that as silk and other things do not always remain high in price, thin silk cloth can be obtained without difficulty at times. The price in cash being fixed officially it is prevented from rising and falling. A way is opened for wise legislation by the existing facts. The Emperor assented and said in an edict that in Kiangsi the price for thin silk cloth should be 6,000 cash a

\* Hungchow is Nanchang, the capital of Kiangsi.

piece. The usual reduction would be allowed and any who wished to present the silk cloth rather than the cash were at liberty to do so.

In the winter of this year the weavers of Kiangsu and Chekiang were all under orders to pay in the fixed amount of cash in place of their contribution of silk fabrics. The monthly expenditure sent to the capital amounted to 1,000,000 strings of cash. It was increased by the expense of adding and reducing. The people were told that they should give cash in place of thick silk cloth, and as to the tribute of thin silk textile goods one-half should be changed for copper cash. The number of pieces of cloth was 5,200. From this time the exchange of cash for thin silk (pê) rose perceptibly. In 1139 the amount of thin silk changed for cash in Honan was reduced by 1,000 pieces, but after a short time it was again raised to the old standard. In 1147 the contribution from Kiangnan was so reduced that the people had to pay in a year fewer cash to the extent of 6,000 ounces of thin silk. In Chekiang the reduction was to 7,000 ounces. The officers bought 6,500 pieces of thin silk. These amounted to 300 ounces in Kiangnan and 400 ounces in Chekiang. In 1150 the contribution had been increased to double what it should be by Chang-tsiün. It was now reduced by 1,000 cash, and this was the amount a man needed to pay instead of thin silk.

In 1159 the Chung-shu-sheng\* department stated in a memorial that it would be well in the four provinces of Kiangsu and Chekiang to store the silk textile contributions in localities conveniently near to the districts where they were levied.

***Appearance of Silver in lieu of Silk Tribute.***

The Emperor in 1159 in his edict said that Hwei-chow, Chu-chow, and Kwang-tê-chow had contributed cash in place of light textile goods. The other cities were named as offering

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\* 中書省.

contributions of silver. They could pay the amount in copper cash. Those who preferred it could pay in silver. In Western Chekiang the collection was in the hands of the T'iehing-si\* or judge, and the San-tsung-ling-so,† the receiving office for the three totals. Before this the annual revenue in cash levied in lieu of thin silk was 5,730,000 strings. In addition there was the Hing-tu‡ for court expenses. From this time forward contributions were stored in various cities at a distance from the capital for the use of the army.

In 1168 there was a reduction ordered in the summer tax of 1169. Half the buying price in cash of thin silk was withdrawn. In 1170 the prefect of Hweichow in a memorial stated to the Emperor the wishes of the people. During two centuries the land tax levied on the people had been heavy. It was the fault of a former prefect, who wrongly made it greater than the Emperor's edicts required. The tax was several times heavier than that of neighbouring cities. The miscellaneous cash taxes were also heavy to an unexampled extent. He prayed for a reduction. In 1173 the Emperor said 12,180 strings were to be added. At the same time there was to be a reduction of 16,600 pieces of thin silk from the Kiangsu and Chekiang contributions. In 1194 an edict said that in Kiangsu and Chekiang 1,500 cash a piece was to be the price subtracted from the appraised value, 2,000, of the thick and thin silks§ which were bought from the people as the legal phrase of that age worded it. They were really required as taxes. The government needed the silks to clothe the army, and copper cash were manufactured to reimburse the weaver who could then live in comfort. Two years later the officers in charge of the two repositories—Nei-tsang and Feng-chwang—were directed to repay the money subtracted by the edict of 1104 from the revenue.

\* 提刑司. This is now the Ansh'ia-shi.

† 三總領通.

‡ 行部.

§ See Chap. 128, p. 7, col. 10, 11.

*Appraisement of Tribute in Chekiang.*

In 1195 a vice-president of the Revenue Board spoke of the abuses connected with appraisement of tribute silks at Hangchow and its neighbouring district Yü-hang. He prayed the Emperor to fix the sum of twenty-four strings as the price of one piece of thin silk. No more than the stated amount was to be asked. In this favour was shown to the people when bringing such tribute contributions as their land produced. The servants of the magistrates would not then be able to force the people to give too much, nor would the people have the opportunity to effect crafty concealments.\* This was an effective remedy for existing grievances. The magistrates would be unable to oppress the people by heavy taxation. The Emperor replied by an edict ordering all opinions to be collected, so that a comparison might be made. In 1196 the fourth of the Hangchow Emperors ordered that the advice of the head of the grain conveyance—Shī-ts'au†—should be carried out. This he did in consequence of a memorial of the president of the Board of Office recommending it. The object was in levying the taxes to prevent any addition being made to the prescribed amount by collectors and any diminution of the proper taxes through evasion on the part of farmers who otherwise might combine under the crafty leadership of some one of them to defraud the revenue.‡

In 1127 the prefect of Yü-chow (Shau-hing) said in a memorial that the amount of silk fabrics bought in a year in Southern Chekiang reached the total of 976,000 pieces, while in Shauhing they amounted to 600,500. In the whole province (the provinces were then called lu;§ there were two lu in

\* 民無資於詭戶 Min-wu-tsī-yü-kwei-hu.

† 師漕.

‡ At that time, seven centuries ago, the state of society was like what it is now. Obstinate and unprincipled servants of the magistrates spread false reports for their own good. They were annoyed, because they could not as before rob the people by illicit taxation.

§ 路 Lu.



Chekiang) the proportion should be three parts in ten. He recommended that in future the richer farmers should pay half the amount hitherto levied and the poorer people, or those belonging to classes one to four, should be excused altogether. For the present, after this, the Hangchow purchases of thin silk were felt to be a heavy burden and it was decided that 120,000 pieces of the Hangchow levy should be transferred to the people of the two provinces of Chekiang and distributed evenly among them.

In 1173 a memorialist said\* that in Chekiang the tribute was specially heavy in Shantung prefecture and most of all in Kwei-kif district. The land is poor and the levy on produce is oppressively great. The people state false names of proprietors. One owner of property hides it in the barn of another. Two or three owners become five or six. So matters went on from the division of boundaries till 1169. The efforts of the administration were redoubled to remove the difficulties they met with. The best plan was found to be to levy the dues according to the number of cultivated mou, for the crafty concealment of the liability of proprietors would then be brought to an end. But while the burdens on the people were lightened, the government collections were also diminished.

In 1181 in an edict the Emperor Hiau Tsung addressed himself to the correction of abuses. He ordered Wu Ku, the manager of tribute grain transport and a high military officer, Chang Ts'ien-yen, to form a suitable plan. They said that it was most unsatisfactory that rich men by professedly dividing their land should become poor holders of property. False entries were registered. Men of means figured as unfortunate farmers who could scarcely do more than earn a living. This must be stopped by the pressure of a firm hand. Yes, but it should

\* He was 必書郎. Under the Song this official was called Mo-shu-kan 秘書監. Mo-shu-tung 秘書郎, ministerial secretary.

† Kwei-kif 塊積. However Kwei in this instance. It is always 塊, read from g or k in Chinese.

be remembered that there must be a cause. The whole silk tribute of the seven prefectures of Southern Chekiang is 281,738 pieces. This is the appraised amount of silks. There is no proportion fixed by the Board of Revenue for Wen-chow. Joined with the prefectures of Tai-chow, Ningpo, and three more on the west side of the province the total is not quite 130,000 pieces, while Shau-hing contributes 146,938 pieces, that is to say, one prefecture contributes upwards of 10,000 pieces more than five other prefectures. This is an abuse needing correction. Another grievance is that the oxen are borrowed as a tax on industry, Wu-li.\* They are a help to the people. But wine shops and salt depôts pay taxes on wine and salt and should therefore be exempt from the industry impost. Then such land as has fallen into lakes, rivers and the sea should be free also. The property of Buddhist temples and Taoist monasteries should be excused. Some land has been exempted by edict, but the six Boards (省) have not thought fit to carry out the new rule. Unjust levy of tribute on the people is inevitable with such conditions. This is the cause of levies made in the dark, and they constitute a real evil.

These two evils work out a result deplorable, but not surprising. The people say, we cannot and will not endure this tyranny. A cunning plan of evading the officers is thought of and some one more crafty than his neighbours takes the lead. He reflects that those whose silk tribute amounted in value to 38,500 cash belonged to the fourth class. If it was one cash less the land holder would be in the fifth class. This would lead to deceptive concealment on the part of artful men with some education. A piece of land might be worth twenty strings or from that to thirty strings a mow. This was made a basis of calculation. If the farmer have produce and a servant,

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\*The history says Li-nien-wu-li 賃牛物力 hire oxen as an industrial tax. The officers seeing that this was really one form of a tax on industry gave it this name.

two items for which he may be taxed, he will be in the fifth class and will not be liable to farther taxation. He who has land and no servant tax, if the produce of his land is estimated at 15,000 cash a mow or more than that, is also called upon for tribute silk. Those who are taxed to the amount of not more than 15,000 as the value of their produce per mow are not required to give the government a share of their remaining store, but if they falsely assume to be ranked as of the fifth class they will not succeed in evading the levy. The genuine fifth class farmer will be troubled with no other claims.

The Emperor showed kindness to Shao-hing and decided that the palace there should not be required to pay the silk tribute. The same favour was granted to Buddhist and Taoist temple lands, and to persons using hired and ploughing oxen. The levy temporarily made in opposition to the edict in accordance with the Hu-pei decision (Sheng-ngo\*) would be henceforth remitted in the case of wine shops, and salt shops which pay the silk tribute and the industry tax, Wu-li † Also land lost by sea, river, and lake encroachment or dug out to make ponds for saving animal life, was excused from the land tax and the industry tax. But an edict granting this indulgence must be asked for.

In 1189 the prefect of Shao-hing represented to the Emperor that the even distribution of the silk tribute levy was not successful. Formerly there was great eagerness in collecting, so that time for careful estimation was lacking. The officers treated all as deceitful farmers who concealed the facts. If the personal service tribute, *wo-shi* ‡ was 100 cash, they simply added another burden the *ho-mai*.

In such circumstances naturally all poor men felt pinched by poverty. He asked that the number of pieces of thin

\* 省額 Sheng is an imperial department. Ngo is the amount of tax fixed by the department.

† 物力 Wu-li. This was the name of a tax in the Sung dynasty levied on industry.

‡ 物力.

silk newly required amounting to 20,057, might be withdrawn by a fresh edict. The people would then in very deed enjoy the imperial clemency. An edict announced that the collection would, during one year, not require the thin silk contribution of 20,050 pieces\* from the poor farmers. Beside this the old contribution was reduced by 44,000 pieces. It was to be evenly levied throughout the contributing area. The prefect was directed to use so good a method that the edict might be always obeyed in future. In 1190 the prefect Hung Mai prepared a set of rules and forwarded it for imperial approval. It was approved accordingly, and the poorer class of farmers in Shau-hing prefecture were better treated and more content.

*Methods of collecting Grain for the Army.*

In 960 when a member of the Chao family ascended the throne there was a succession of good harvests. In Chili, Honan, Shansi and Shensi grain was collected to save people on the frontier from the labour of conveying their produce a great distance.

The officers bought at an increased price what the people had to sell and circulated copper cash in this way. The new Emperor seeing that the harvests were good, and feeling generous, ordered the treasurers of the provinces to pay liberally to the people, and appraisement offices were opened in many cities. About 998 the store houses of the government were by sales to the people divested of silks and embroidery to the value of copper cash 1,800,000 strings and silver 300 000 ounces. These silks were consigned to the treasurer of Chili to buy rice and millet for the frontier to be kept there for use. The edict said the stored grain must be enough for the needs of the army during three years. In 1008 the harvests still continued to be good, and an order was given that a large supply of grain should be stored. The officers

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\*和買.

should not be restricted by any conventional limit as to quantity. After a time copper cash on strings were given out from the imperial store houses to the extent of several hundreds of thousands or millions. Commissioners were sent to calculate market prices and collect grain. Land holders of moderate income and the very poor were to be exempt. In carrying out a policy of exemption the land and grain taxes were lessened in Shansi. But the magistrates said the land was in parts fertile and the people were industrious. They in fact stored considerable quantities. The Emperor was asked to order an extensive purchase, giving in exchange copper money or its value in silks. Further, because the army on the northern frontier from Chili to Shensi, and on both sides of Kai-feng, needed support, the magistrates bought grain which they found stored in the houses of the people. This was named the Tui-chī\* method. Beside this the supply was enhanced by tribute from rich proprietors. In doing this the officers looked at the registers and collected so much tribute as seemed to be requisite. This method was called Tui-ti.† Neither of these methods accorded with the ordinary mode of administration.

At the two cities known as Lin-chow and Lin-fu in Shansi the conveyance of provision for the army was difficult on account of distance. Officers were sent to establish depôts for buying grain. Also in Chili traders were invited to convey grain to the frontier. They took with them treasury notes to buy a certain quantity at the money value stated on the salt note. They had also strings of cash, incense, drugs, pearls and precious stones. These they negotiated in the capital or in the cities of Kiangsu, either with civil or military officers, on presenting the notes. Salt was obtained in Shensi from two lakes. This method was known as Ju-chung.‡

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\*推置.

†對羅.

‡入中.

In Shensi beside the purchase of grain there was the annual loan to farmers of the Tsing-mian cash,\* but this favour to the farmers was withdrawn by the Emperor Jen Tsung A.D. 1023. This was before the attainment of power by Wang An-shih. At the same time silver and thin silks stored in the imperial granaries were, to a large amount, granted in order to increase the quantity of grain purchased from the people. About A.D. 1038 the Board of Revenue department, named San-shi,† was permitted to sell pearls, out of the government store-house, worth 500,000 strings of cash in order to send this amount to the frontier to meet expenditure there.

*Discussions on Practical Questions by Eminent Statesmen.*

The learned historian Ou Yang-sien, was sent at this time to Shansi and reported that it was not a good thing to forbid the cultivation of waste land at the frontier, and to multiply prohibitions in Shansi. The people in a covert manner bought millet and wheat on the northern frontier, and this was stored for the use of the army. Scarcity and murmuring among the people was the result. The Emperor read with approval this memorial and granted leave to the people to cultivate the vacant land then garrisoned by the Ko-lan volcano regiment. Land three or four miles beyond the frontier ditch might also be ploughed up. Yet these measures were fruitless; the purchase of grain for the frontier by private persons continued as before. In fact traders saw that the Ju-chung system secured them large profits, and they were very willing to embark in it. The Emperor therefore abrogated the privilege of providing grain in Chili, Shansi and Shensi in the way described. All negotiations to purchase grain must be conducted with ready money. This would diminish the expenditure of the magistrates.

\* 清苗錢

† 三司



In 1672 an edict of the Emperor Shen Tsung, under the influence of Wang An-shi, directed that silver to the amount of 201,000 taels and silks to the number of 200,000 pieces should be lent to the people by the governor of Shansi. The principal and interest were to be used to supply the frontier army. The expenditure in the three provinces for the army was furnished either by the Board of Revenue or from the Exchange Bureau *Shi-pi-wu*,\* or from the treasurer of some neighbouring province. Beside this money from the office of even prices, *Chang-ping-tsien* † granary, which did not require interest and sought in various ways to render prices even, was granted.

Also titles or certificates, *Tu-ti*,‡ were sold to priests or to officers qualifying them for entrance on some new post. The copper cash and silks issued from the government stores were not included. In 1674 it was observed that the *Ju-chung* collection of grain at *Min-chow* was limited in amount. An order was therefore given that the *Sansai* department of the Board of Revenue should provide salt certificates such as were in use in *Kiangsu* and *Sichwen*. When this sort of currency had been for some time in use its respective advantages were to be announced to the Emperor. The prefect of *Hichow* soon after sent up a memorial saying that according to the *Hu-ti* rule for storing supplies of grain, one part in ten was to be paid for in ready money in strings of cash and nine-tenths were to be *Sichwen* salt notes. Beside this traders§ were to be asked to supply grain on the *Ju-chung* plan at a price fixed by the government. Should grain not be offered in sufficient quantity, more metropolitan notes should be issued. As an inducement to accept such notes special advantages were to be offered. This year the harvest was plentiful in *Shansi* and on the frontier. An edict ordered two of the prin-

\* 市易務

§ On the *Ju-chung* plan.

† 馬當平錢

‡ 鹽課

cipal treasurers to collect an amount of grain sufficient for five years' consumption.

The high state officers were also ordered to consult on the propriety of changing the grain system in Shensi and on the border. The official conveyers of grain\* in those regions were directed to add to the quantity of grain stored three parts in ten, and rewards or punishments would be awarded to them. A good supply would ensure a reward. If insufficient, bad marks would be assigned to them. A commissioner was sent to Shensi to watch proceedings, and the soldiers there received copper cash, tea, and silver, with thick and thin silk.

*Wang An-shi and Others State Their Opinions.*

In the year 1075 a censor† stated in a memorial that in the Tai-yuen-fu section of Shansi, beside the summer and autumn tribute, there was the Ho-ti collection of grain, but although the officers gave out copper money and grass-cloth the people were not really benefited. If the harvest were poor they were not excused from their tribute, and the system proved a failure. Soon after this the prefect of Tai-yuen urged the Emperor to deduct three parts in ten from the original amount of the Ho-ti collection of tribute grain. He also recommended the abolition of the loan to farmers, and that clear-minded and able officers should investigate the respective faults and benefits of the system of loans to farmers. In response the Emperor directed the officers sent to lay their views before Wang An-shī. In 1078 Wang An-shī sent up a memorial stating that the summer and autumn collections of grains in thirteen cities of Shansi amounted to 392,000 piculs. The Ho-ti collection reached the sum 834,000. In years when the harvest was poor and the summer and autumn collections were deficient, the Ho-ti collections would enable the people still to send up tribute and prevent

\*轉運司 Chwen-yun-si.

†察訪使 Ch'a fang-shī.

the army from suffering through want of a sufficient supply of grain. When copper money and grass-cloth were given formerly in equal amounts, it was a very trifling expenditure. The issue of bank notes did not secure more than about one-half the value of the cash and grass-cloth given. The government suffered loss and the people had but an empty advantage. If they wish from this time to secure the abolition of the system of lending money to obtain grain, the money saved can be placed in the hands of the city magistrates on the frontier, who can then buy grain for the Feng-chwang store houses. In years of poor harvests when the Emperor, as a rule, remits the annual tribute,\* the grain obtained on the frontier will supplement the deficiency. In years when grain is abundant the remission of tribute may be granted once only in three years. To this view the Emperor assented. The purchase of Shansi grain on the Ho-ti principle by a former edict amounted in value to more than eighty thousand strings of cash. This was withdrawn. The money was given in charge to the grain superintendent instead of being lent to the people. He would buy the required grain with this money. Wang An-shi was himself made Shansi treasurer, and thus had an opportunity to carry out his own policy.

In 1801 Ch'ien Chow-fu was sent to Ch'li to superintend the collection of grain with the title *Ti-pien-si*. To assist him an order was given that the surplus in the guard allowance near the capital through vacancies, together with the interest upon salt receipts in copper money in Northern Kiang-su, Che-kiang and Fu-kién, should be transferred to the fund under the care of the *Ti-pien-si* officer. This would furnish him with capital. He would not be under the control of the Board of Revenue or the Feng-chwang department. Thus he would have plenary authority. In 1803 Wang Ts'yun, a

\* 蠲免, remit taxes. An honorific term used only of the Emperor's acts.

† 蠲免, remit.

superintendent\* of Western Chili, was given him as an assistant, and not long after the Emperor himself wrote an edict addressed to Chow-fu, saying he should take the opportunity afforded by plentiful harvest on the east and west of Ta-ming to fill four granaries in that prefecture with grain. Chow Fu was a short time after this raised to the post of Vice-president of the Board of Revenue and Wu Yung succeeded him as grain manager, and next year reported that the Chili granaries were full. The quantity he stated to be 11,760,000 piculs. His assistant, Wang Tsï-yuen, was raised to the third rank. -

*A Change in the Provincial System of the Sung Dynasty.*

In 1122 the Emperor Hwei Tsung put an end to the Ho-ti system in the vicinity of Kai-feng-fu. This was near the time when he was taken prisoner by the Golden Tartars and carried away to Tartary. During about fifty years the financial system thus terminated had been supported by Wang An-shī and condemned by many eminent statesmen. About eight different names of modes of collecting grain were in use. In 1069 an order was given to the troops that any one wishing to return grain to the public granary could do so at fixed prices in copper money. Wang Kwei in a memorial stated that in prefectures at a distance from the capital rice was valued at forty cash a tow or 400 cash a picul and could be bought for the capital at that rate. In the capital there was a scarcity of cash. A hundred cash in the capital would purchase one tow, or 1,000 cash was the price of a picul. Reform in the currency was very necessary. Si-ma Kwang, the eminent statesman and historian, said the granary system as now established, is adopted for the time as an emergency measure. The treasury has copper money to an amount beyond immediate need. The offer is made to the soldiers to sell their grain that there may be a supply for the

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\* 提 提 Ti-tien.

ensuing month which otherwise will be lacking. At present in the metropolitan granaries there is enough for seven years' consumption. Of copper money there is a deficiency. The treasury is empty. What advantage is there in proposing to the soldiers to sell their grain to the government? It will rot in the granaries through being stored there too long and in too great an abundance. He was answered by one of the friends of Wang An-shi. His name is Lü Hwei-ch'ing and his biography is found among those of traitorous statesmen. What he said was, that a million piculs of rice and millet stored in the metropolitan granaries would diminish the supply sent from Kiang-nan to the same extent. Instead of a million piculs of rice from Kiang-nan copper money would be sent to supply the capital and terminate the scarcity of cash felt there.

Sü-ma Kwang said in reply that he had been informed that there was an absolute famine of cash in Kiang-nan. The rice there grown is the non-glutinous kind, K'ang-tau.\* The people live on it constantly. If the government do not buy it to send to the capital it cannot be exported. The price will be low and the people will be poor. If the people have rice, and contribute it to the State because of the policy recommended by Lü Hwei-ch'ing, they will be without money. Yet the government insists on their giving money for state needs, and this policy is represented as conferring a benefit on the people and as enriching them. To this argument the Emperor, through his favour to Wang An-shi, did not yield.

In 1070 the price of grain being low the departments whose duty it was to buy grain, united in raising the price, and further the sovereign authority extended the system to Chili, Shansi and Shensi. In 1099, under the Emperor Ché Tsung, the price of rice was lowered by the officers, and they forced the people to give grain at the official price. When the Emperor knew it he prohibited the lowering of the price.

\* 秈 k'ang 稻 tau, non-glutinous rice, i.e., hard rice.

*The Po-ti System of Collecting Grain.*

In A. D. 1074 the chief officers who in Chili had charge of granaries, i. e., the Chwen-yün\* and the Ti-chü,† were directed to open depôts to aid in selling grain at an increased price. Grain was sold from the granaries, both those named *Chang-p'ing* and those known as Board of Revenue granaries, *Sheng-ts'ang*.‡ The people were allowed to purchase grain with all the kinds of silk, raw and manufactured, then in their possession. A large quantity of fresh grain was bought in autumn by the officers for the granaries. Such was the Po-ti system.

In 1106 the Emperor Hwei Tsung ordered a grain conveyance officer to go to Shensi to arrange for the lowering of the market value of cash and to effect an increase in the market value of goods. His plan was to equalize prices by giving out silver, raw silk and thick and thin silk cloth in return for a large supply of grain.

*The Kiê-ti System for Filling the Granaries.*

In 1075 Lien Tso being official manager of Sîchwen tea, found it convenient to obtain by its means 70,000 piculs of grain from the province known as Hi-ho-lu§ to store in granaries for the troops. This was approved by the Emperor. Soon after this a trader, Wang Chen, represented in a petition that the officers who were engaged in carrying out the *Kiê-ti* plan were persons without occupation or substantial credit, and such as paid their tribute dues only when the year was ended. The Emperor accordingly ordered the tribute manager, T'sai Yung,|| of the Ho-ko province, to inquire and report on the merits and demerits of the system. In his report the manager said that the high governor of the two provinces—Hi-ho and Liang-chwen—had not yet sent in 140,630 strings

\*轉運使.  
§熙河路.

†提舉司.  
財用.

‡省倉.



of cash on *Kiè-ti* account for these two provinces. He required also to pay upwards of 300 taels of silver due on the same account. This silver, we may suppose, would enter Sichwen from Burma by way of Yünnan. An officer, T'sai Ch'io, was sent to the Hi-ho province to investigate the case. The governor was convicted of trading for his own profit with the *Kiè-ti* money and thus transgressing the law. He was dismissed from his post and degraded several steps. The same fate befell a subordinate officer next under him.

T'sai King, a noted prime minister, who in the official biography is classed among traitors, was in 1102 sent to Shensi. He gathered in the substance of the people there in an oppressive manner to make up the regulated amount of the *Kiè-ti* tribute. In 1106 a great comet was seen, and the Emperor was advised to make changes in the administration. What he did was to terminate the *Kiè-ti* system in Shensi and Shansi and with it the system known as *Tui-ti*.

### *The Piau-ti System.*

In 1075 an order was given to the cabinet accountants to calculate the expense of the conveyance of 1,000,000 piculs of rice. It amounted to 370,000 strings of cash, and the Emperor thought it was too much. Wang An-shī said that by using the *Piau-ti* plan sixty or seventy thousand strings of cash would be saved, as there would be no expense of conveyance. Besides this the power to fix the price of the *Ju-chung*\* collection in Chili rested with the government. If grain was high in price the purchase could be stopped. In that case the people could not sell their grain, and the price would then fall. Grain would be provided for troops on the frontier, and thus the people would be saved from exactions on their property. The Emperor in an edict, after reading what Wang

\* 入中 Teachers brought grain or other articles to the frontier and received for it, from the officers, a moderate price.

An-shī had written, ordered salt\* in small particles with copper cash notes and King-mi rice,† valued at 600,000 strings of cash, to be entrusted to the Tu Ti-chü‡ chief manager of markets, to trade with for the profit of the State. He was directed to give out copper money and articles of value in proportion to the area of land occupied by each farmer and the amount of production. When autumn came wheat, millet, and rice would be paid back by the farmer in Tan-chow in the northern capital (Ta-ming-fu in Southern Chihli is meant) and in the form of *Ju-chung* rice, wheat, and millet stored in Feng-chwang granaries on the northern frontier. Should prices rise the government would be able to put a stop to the *Ju-chung* storage. In years of plenty the amount deficient would be restored to the granaries.

In A. D. 1096, in the reign of Ch' Tsung, a memorialist, Lü Ta-chung, recommended that farmers and people should guarantee each other. Half the loan was advanced first. When the time for collecting grain tax arrived the farmers were pressed for payment. The remainder of the loan was to be advanced at the time for collecting the summer and autumn harvest tax. The market price would regulate the issue of the money and the amount paid would be increased if the price was low.

About 1105 Ts'ai King, the prime minister, gave the order that copper coin should be advanced to residents in cities and farmers in the country in regular order according to their rank; afterwards payment was made in millet on the frontier; the quantity being determined by the market price of grain. The soldiers known as bow and arrow men would be paid on the same principle when they brought their field produce. The issue of the *Piau-ti* certificates, in large number, entitled magistrates to a reward. Failure to issue them was a punishable offence.

\* 朴 Mo-yen, an unpurified grey salt.

† 粳米 King-mi is a highly esteemed kind of white rice.

‡ 都提舉.

*The Issue of Tui-ti Certificates.\**

In 1076, in the reign of Shen Tsung, the market manager, Chang Ping-si,† in Northern Kiangsu, was directed by edict to issue *Tui-ti* certificates when wheat was observed to be ripe and to do so in good time. In 1087 a large supply of grain was stored in the granaries of all the provinces. Another edict was issued saying that if the more recent market price agreed with the original price it was permitted to officers to change the old *Tui-ti* certificates for new ones.

*The Issue of Ki-ti‡ Certificates.*

In 1079, under Shen Tsung, grain was stored at a very cheap price. Wang Tsi-yuen sent up a memorial discussing the advantages and disadvantages of the grain junk system. He said that traders when bringing their grain in accordance with the *Ju-chung* privilege would, in seasons when the harvest return was poor, ask for an increase in the price of their grain. On this account a new plan was formulated in the prefectures near the capital. It was called the *Ki-ti*§ method. Its object was to prevent prices from too great a rise or fall. The next year the storage of grain in Yangchow and Tingchow in Chili was very abundant, and the supply, now so plentiful, was distributed over several prefectures, but it was likely prices would not be uniform through this wide area. It would be better that traders who would have a keen eye in watching prices should undertake the conveyance of grain, and the *Ki-ti* or official conveyance would then come to an end. But Li Nan-kung and Wang Tsi-yuen both pleaded for the retention of the official conveyance. It had been long in use. Near the capital in Honan official conveyance was not difficult. The Emperor agreed to the retention of the official conveyance.

\* 兌糧

† 常平司

‡ 寄糧 The name implies official conveyance of grain.

§ 括糶

*The System of Grain Collecting called Kw'o-ti.*

In A. D. 1098 Chang T'san, commissioner for inquiring and deciding doubtful points\* in the *King-yuen* province in Shansi, asked that he might be allowed to issue previously a proclamation in this province stating that the people must not enter into competition with the granary officers in buying grain for use on the frontier. Further, he asked for permission to buy the grain which prosperous farmers might have in their barns, leaving them enough for their own use.

*The Two Systems called Ch'iu-ti and Kiün-ti.*

In 1111 T'ung Kwan, governor of Shensi, planned these systems and asked permission to establish them. He was a eunuch of ill repute. The Lu-yen governor in Shensi was commissioned to inquire into the best way of conducting the provincial administration. He opposed the introduction of these systems. The *Ch'iu-ti*† system, or collection of grain by exhortation could not, in the nature of things, last long. Those who possessed grain would, according to the *Kiün-ti*‡ system, be paid on bringing it, and they would therefore not suffer wrong. Those who had none, through their being dwellers in cities, would buy it from a distance, and this would be a saving to the government in the item of expense of conveyance. The Emperor Hwei Tsung punished him for this criticism by dismissing him from office. At the same time an edict established the *Kiün-ti* system in Chili and Shansi. The prefect of Tingchow in Chili was dismissed for hindering the efficient carrying out of the Emperor's system.

In 1113 there were good harvests in all the provinces, and the *Kiün-ti* system was, for the time, firmly established. In 1115 great complaints were made of the severity of the new

\* 經略使 King Lio-shī, commissioner, sent to improve provincial administration, civil and military, hear causes as a judge, determine what procedure should be prohibited, and decide on rewards and punishments.

† 勸糴.

‡ 均糴.

system. Grain was received, but not paid for. Also there were instances of inconsiderate demands on magistrates requiring too large a collection of grain, so that one farmer, for example, was called on to supply several hundred piculs. An edict therefore was issued to stop the *Kiün-ti* procedure in all the provinces. Yet the magistrates while they changed the name of the tax to *Ho-ti*\*, gave less money for the grain when it reached them. When the treasurers took it in hand they were still more oppressive than magistrates. They made the *Kiün-ti* double in amount. The Emperor restricted them by a prohibition from these exactions. In 1121 on the return to peace of the Chekiang provinces after the famous pirate Fang La had been subdued, the provincial administration so modified the *Kiün-ti* collection that the officers and rich families also paid their share and the amount of their property was made the basis of the estimate. In 1122 the *Kiün-ti* system was adopted in Hupëh and Hunan. The amount of property possessed by farmers was taken into account in fixing the amount they must pay. The *Kiün-ti* system of taxation spread into the new frontier cities north and west of Shensi. Si-hia, at that time, was a powerful State, occupying Kan-su and the regions beyond. The cities are called Shan-kwo† and Tsi-shi. The foreign tribes there, probably Tibetan, were highly dissatisfied with this invasion of their freedom. Shensi was divided into six provinces, and among them was *Hi-ho*‡. Here too the *Kiün-ti* taxation was established. The same advance in the absorption of fresh territory was made by other Chinese officers in Si-hwen, where a chief named Ki Ti§ was conquered by a heavy expenditure of the imperial revenue. Also in Annam a breach of friendly relations was caused by the acts of Chinese officers. Annam was then called Kiau-chi||.

\* 和糴.  
§ 乙 弟.

† 鄯善州 and 賁名軍.  
文 雖.

‡ 曷 哥.

*The Death Penalty for Mismanagement under Shen Tsung.*

In 1081, during the last years of Shen Tsung's reign, six provinces of Shensi united their forces to attack western tribes, that is, the Si-hia kingdom. The expenditure was too much to please the Emperor, who feared the people would suffer by a too heavy taxation. He therefore sent a commissioner to inquire and report the facts. It was found by him that the grain supplied to the troops was very bad in quality. The Emperor in his wrath wished to behead the grain manager as a lesson to all. Just at that time war became unavoidable since affairs were conducted most unsuccessfully. The grain manager of Lu-yen, named Li Tsi, was ordered by edict to behead all below the rank of a prefect who had no soldiers engaged in warlike operations. The people were discontented because they were obliged to be again and again occupied in conveying grain, and in consequence migrated to other homes. Several thousand men were beheaded, and many died on the road while escaping from forced service. Wen Yen-po, in a memorial, appealed to the Emperor to pity the inhabitants of Shensi. Their taxes were more than they could pay. Many had died and very many were sick. Could not the imperial clemency revive them from their fainting condition? In 1082 a more favourable edict praised the sympathizing memorialist. The troops had won no victories, and there was a fear that the Emperor would commence another war. Instead of this he woke to a sense of regret and issued an order to the high officers on the frontier to bring the war to an end. Shensi then obtained a much needed rest. This Emperor died at the age of thirty-eight in the year 1086.

*Return to a Milder System under Che Tsung.*

Under the new Emperor Chê Tsung the older statesmen united in recommending a return to the old system of taxation, so that contentment might again prevail among the



people. There should be no additional amount of grain sent to the frontier provinces. It would, however, be necessary to provide by a widespread system of taxation to keep the granaries full. An edict said that in Shensi the granaries of Lin-chow-fu and its dependencies should have grain stored sufficient for five years' consumption. In 1094 an edict said that in Chihli there must be grain in the granaries of Chen-ting-fu enough for ten years' consumption. This was a provision of army supplies in case of trouble with the Liao kingdom then powerful in Manchuria. The other cities were to have grain enough in store to last the army for seven years. In Shensi there was fighting during several successive years. The building of walls to the cities Shan-chow and Hwang-chow caused a very large expenditure.

In the year 1099 the King-yuen governor in Shensi said in a memorial addressed to the Emperor that the granaries in Shensi were empty since the commencement of military operations. Silver and silk goods had been served out to the value of many tens of millions of taels of silver and piculs of silk. Now it was a time of peace. If the Emperor's principal councillors are asked, it is to be feared that they will recommend a renewal of the war. In saying this the memorialist referred to Chang Tun, a councillor notable for unwise advice given to the sovereign. The empty condition of the granaries was proof that war was not to be desired. The home treasury, *Nei-ts'ang*,\* was empty just at this time. Silver and silk goods were wanted by the Shansi governors to be given to the troops, and he asked the Emperor to direct that they should be taken from the home treasury. The Emperor ordered 500,000 pieces of silk to be issued and remarked to the councillors that only 500,000 pieces remain, plainly showing that the military expenditure is too much for the revenue.

\* 內藏.

Yet T'sai King, in his eagerness for extending the territory under the control of the government, advised Hwei Tsung to order a new movement of troops to recover T'sing-chow and T'ang-chow and appoint Wang How to manage it. Wang now used a large sum in organizing an expedition, and recovered these cities. In addition to this a very considerable sum was expended each year in supporting frontier troops at Hwang-chow in Shensi. The amount was 10,249,000 strings.

In 1106, the fifth year of Hwei Tsung, the governor of Shensi and Kan-su said that the people in his jurisdiction lived on the best millet. Five piculs were obtained from one mow of land. It was called *ts'ing-k'o*\* and this grain was one-third of the length of barley corns. After a time the people lived on good millet and gave *ts'ing-k'o* to the horses. Both were given to the extent of eight parts in ten; two parts being retained as a tax. Men and horses had enough and the market price of food was moderate. At present the frontier officers do not recognize the difference between pure millet,† *ts'ing-k'o* millet, unshelled millet,‡ and barley. A peck of one is with them the same as a peck of another when they are distributing. If the imperial store suffers a loss of one part in ten, the people (or the distributor) profits to the same extent. In each province (Lu) the expenditure during a year amounts to 1,800,000 piculs of the grain most in use. To this is added 500,000 piculs of varieties, and of the *ts'ing-k'o* grain 1,300,000 piculs. The loss to the revenue amounts each year to 260,000 piculs. Each picul is worth thirty strings of copper cash, so that the whole loss is 780,000 strings.

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\* 青稞.

† 秣米 Ordinary millet. This is at present in Chihli too expensive for the common food of country people. They mix Barbadoes millet and several other kinds of grain; in all five or six. The mixture is called tsa-liang.

‡ 糙米 Ts'au-mi.

*Finance under Hwei Tsung.*

The Emperor feared that the grain was too coarse and that the soldiers would not have enough. They would look famished. He ordered two-tenths to be reserved, but in 1107 he required grain to be served out in full and the reservation of two-tenths ceased. Also in Shensi large granaries were built in four cities—Ping-hia, Hwo-kiün, Tung-hia-chai, and Si-an. When the Si-hia tribes refused to obey the Emperor, all the provinces united in building walled cities to the west of Shensi. They were placed under the bailiff system, and they sent up grain tribute. Tung Kwan,\* a statesman of evil repute, with the aid of the soldiers he led, built several cities, such as Ping-hia,† Tsing-hia,‡ Chi-jung§ and Fu-kiang.¶ These names show that the Hia States were made up of Tibetan tribes. Tung Kwan with his army brought them to complete subjection by pressing forward for a long distance into their territory. This was continued during six or seven years. At last in 1126 grain supplies fell short, so much so that at Lu-chow and Yen-an there was not food to last a month. It became the fashion among the frontier Generals to aim at increasing the revenue by extending the territory under cultivation. This was done in Eastern Sichwen, near the gorges, and in Canton, south of the Mei-ling pass. The area of land producing grain was increased. New prefectures and departments were made and grain taxes collected from the people. The expense of these operations was borne by the magistrates and the demands on them were always on the ascending grade.

After this came military operations in Northern Chihli, and the granaries of Hing-chow, Pa-chow, and other cities were soon empty. The soldiers, having no food, rose in insurrection, assailed the sub-prefects of cities with stones and brickbats, and with their long knives slew their Generals. At Yen-shan,

\* 童貫.

† 平夏.

‡ 靖夏.

§ 制戎.

¶ 伏羌.

which afterwards became Peking, the ever victorious brigade, Ch'ang-sheng-kiün,\* received from granaries each month 300,000 piculs of millet and 1,000,000 strings of copper cash. The Chihli people could not bear this burden.

On this account a new mode of raising money, so as to relieve the people, was initiated. The Yellow River needed to have its banks repaired and fascines so placed as to break the force of the freshet when it comes. Hundreds of workmen were engaged. Those who excused themselves from obeying the call, paid a personal service tax. This tax in Kiangsu, in the northern part, amounted to 10,000 cash a man. Rich men were required to pay sixty times that amount. This was during the reign of Shen Tsung, between the years 1068 and 1086.

#### *Expenditure on the Yellow River.*

In 1086 when Chê Tsung had become Emperor, Lü Ta-fang with others proposed that the Yellow River should be deflected from its course to Tientsin and forced to proceed to the sea by Tsang-chow. The wages of workmen would amount to a large sum, which was raised by an equal levy on each man in the district. About 1109 there was an undertaking to restore the Yü-ch'i weir or sauf at Hwa-chow, in Honan, on the Yellow River in its course north-east of Kai-feng-fu. For the first time an edict required that copper cash only should be given, and not personal service.

The Emperor remarked the money is easily obtained and the people are not troubled. An edict was issued saying that in work on the Yellow River embankment the spring workmen formerly engaged should all pay money instead of personal service, and this should be the rule from that time forward on all occasions with work on the Yellow River.

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\*常勝軍.

†魚池埽. Fish pond weir.

*Money Payment in Place of Personal Service.*

Another edict was issued which said that after operations causing much ruin the people in the provinces must be taxed. Without it a return to prosperity is impossible. The State must be helped by the money of the people. This edict was based on a memorial of Wang Fu, who urged that the State should act on the principle that the whole empire should contribute money in place of personal service. The people then will pay 20,000 cash a man. In Kiang-su, Chekiang, Hu-kwang, Canton, and Szechwen each man paid 30,000 cash. The total revenue received was 17,000,000 strings of cash. This heavy tax caused in Chihli the uprising of bands of robbers.

*Grain Storage after the Removal to Hangchow.*

After the removal of the Chinese capital by the Emperor Kan Tsung to Hangchow, A. D. 1127, the storing of corn in granaries was of necessity continued to support the armies of the north-east, the north-west, and the west. During the years 1131 to 1163 certificates of promotion to higher rank were given to all magistrates who added largely to the storage of grain. Smaller rewards were bestowed on those who stored little fresh grain in their granaries. In purchasing grain they paid for it with treasury notes, Ch'au-yin\*. Often it happened that they were not in request as money. Dishonest persons in these circumstances made profit for themselves by cheating others, and great discontent was the result. It became necessary to lower the value of the notes in order to induce persons who had grain to part with it. This was the case with many farmers as well as with those gentry who had official rank. When the government gave out gold, silver, copper cash, and silk cloth to the magistrates it was with the expectation that they would quickly give back the value in grain. If they failed to do this magistrates and their subordinates would

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\*鈔引.

subject themselves to banishment to a distance not more than 500 *li* for two years.

The deputy of the treasurer of Canton, Chwen-yün-shī-p'an-kwan,\* without exciting any discontent, collected 150,000 piculs of grain, and all was sound and good in quality. In Kiangsi the prefect of Fuchow supplied his share in full of grain for the army, and he also persuaded wealthy persons to distribute rice to unfortunate farmers who had left their homes. Both of them were promoted to the post next above that which they held.

In Hu-pei, A.D. 1143, there was a plentiful harvest, and rice was sold at sixty or seventy cash a picul. Advantage was taken of this moderate price to fill the granaries, so that the contribution, at that time very heavy in Kiangsu and Chekiang, might be lessened. In A. D. 1148 the people were excused from the *ho-ti* tribute of grain, and to replace it the Santung-ling-so,† the officer who was in charge of grain collection, was ordered to open depôts for storage by purchase. By the old rule the amount of grain contributed for the army by Chekiang, Kiangsu and Hu-kwang was 2,395,000 piculs.

Chekiang	...	...	...	...	...	750,000
Kiangtung	...	...	...	...	...	315,000
Kiangsi	...	...	...	...	...	630,000
Hunan	...	...	...	...	...	325,000
Hupei...	...	...	...	...	...	175,000

At the date mentioned more than 500,000 piculs were wanting. An order was issued to Hangchow, Soochow, Hwai-tung, Hwai-si, and Hu-kwang to supply 600,000. Hwai-si was directed to supply 32,500 piculs, Hu-kwang and Hwai-tung were ordered to contribute 75,000 piculs. In A.D. 1158 Chekiang contributed 175,000 piculs, all in copper cash. During this year the total contribution of grain was 2,260,000

\*轉運使判官.

†三總領所.



piculs. In 1159 it was 2,330,000. In order to provide rice for famine distribution the price for a picul was reduced to 2,000 cash. To complete the purchase Kwan-tsi\* notes tea certificates, Ch'a-yin,† and silver were given out by the government. In the year 1167 there was heavy and long continued rain in Kiangsu, Chekiang, and Fukien. An edict directed the city magistrates to pay cash for grain to fill the granaries. They were forbidden to use violence in insisting on too high a payment from any farmer. In A.D. 1168 the granaries were supplied by giving in exchange hwei-tsi notes, copper cash, and silver. A picul was priced at 2,500 cash. In A.D. 1175 an edict said that in Kwangsi the treasurer when purchasing rice for granaries should give cash according to the market price of rice. The price was to rise and fall with the character of the harvest as poor or plentiful.

In A.D. 1227 Wang Kang-chung, a censor, said in a memorial that the faults of the *ho-ti* system had been long gathering to a head. To remove the abuses to which it led, it was in his opinion indispensable to raise the price of rice and millet. This would be a remedy for the poverty of the people. Magistrates must not forcibly lower the price of grain. Trial has been made, and in his opinion he was justified in urging the sovereign to forbid this to be done. The Emperor acted as he desired. In A.D. 1228 in Hakkwang notes representing silver‡ and Tu-ti§ tickets conferring rank were given out at the Tsung-ling-so grain manager's office and rice was bought on the *ho-ti* system to the amount of 100,000 piculs for the troops. In A.D. 1232 ministers said to the Emperor: The sovereign should require the people to contribute strings of cash by preference, and if they bring rice or wheat by measure, let them do so in order

\* 關子.

† 茶引.

‡ 緡幣 Yin-hwei.

§ 度牒 Tu-ti were certificates conferring honors of an inferior kind as distinguished from 官 誥 Kwan-kan, which contained words of praise for the recipient from the Emperor himself. Kai means imperial announcement.

that they may not sell at too low a price to other persons. By their contributing money for grain a real benefit is conferred in this way on farmers. This, then, is the secret of a successful system of grain storage. To this the Emperor assented.

In A.D. 1259 the officer on the Yang-tsī-kiang-chī-chī-sī\* invited traders to bring 500,000 piculs of grain. The Hunan governor, An Fu-si, stored 500,000 piculs. The Che-kiang treasurer stored the same amount. In Hwai-an and Chekiang the treasurer collected 2,000,000 piculs. The Kiangsu grain manager supplied 300,000 piculs. The amount sent from Kiangsi was 500,000 piculs. Another supply from Hunan amounted to 200,000 piculs. Tai-ping sent 100,000 piculs, Hwai-an sent 300,000, Kan-yow-kiün sent 500,000. From time to time *Kwei-tsü* notes only were issued to obtain grain for the army. In A.D. 1270, when Tu Tsung† was Emperor, a return was presented by the Tu-sheng commission to the Emperor of 1,480,000 piculs as the amount collected in 1269 from Hunan, Kiangsi, and Kwang-si.

#### *Grain Transport to Kai-feng-fu in the Twelfth Century.*

When grain was brought to Kai-feng-fu from the western part of Shensi the Shensi treasurer allowed to men who carried it thirty cash a day for rice and ten cash for fuel and vegetables. Sung history, 128, 29, 19. This was about A.D. 1100. Another statement says that when carts drawn by horses were hired, the cart and man were changed at each city upon the way. Each man was allowed two pints of rice or millet a day and fifty cash.

In A.D. 1126 the Pien river broke through its banks. The breach was 500 feet wide. Workmen restored the bank, but the river could not be used for conveying grain for more than a month. Kai-feng-fu and Honan-fu lacked food. By

\* 制置司 This officer marked boundaries and controlled the location and movements of troops. He was appointed temporarily.

† 度宗.

vigorous efforts the river was restored to its old bed and rice came in abundance to the two cities. This river rises near Kai-feng-fu, a few miles to the south-west of the city and flows to the south-east. It becomes an affluent of the Hwai river.

*The Administration of the Revenue in the Yuen Dynasty.*

The section on trade in the Yuen dynasty begins with a definition. The name *Sih-hwo\** means food and money. Both are necessary to support the life of the people. The State collects grain and money. The people and army live on grain, and money is essential in all trading transactions. Grain and money are collected from the people by the officers of the State. In the public accounts receipts determine the expenditure. They must balance each other. The increase of luxury adds to the expenditure and disturbs the balance. The Han Emperors levied a tax called *Kau-mien†* and a tax on boats and carts. Under the Tang sovereigns money was borrowed by the government from the merchants, and there was a house tax and a tax on scaffolds used by builders. The Sung dynasty had the direct administration tax and the general administration tax. The people were oppressed to save the government from inconvenience.

When the Mongols conquered China there was the alternative to collect grain and money from the people by tax collectors, who were Chinese, or employ only Mongols. The decision was arrived at to employ Chinese collectors. Kublai was lenient and generous. Salaries were granted to relatives of the imperial family. Famine relief was distributed on a liberal scale. He was kind to the people and paid close attention to agriculture. He understood the principles of administrative economy. Kublai said to his counsellors of the

\* 食貨.

† 科差.

Chung-shu-sheng;\* It is I that give, but your duty is to consider whether the expenditure which I order is wise or not. His successor, Ch'eng Tsung, gave an order to the chief minister Orchê† to prepare a schedule of the annual receipts and expenditure. In this return the amount of gold, silver, paper notes, and copper cash were to be separately entered. Allowances to princes, the Emperor's sons-in-law, the army, palace buildings, and public works were all recorded in detail. Orchê at the time stated the gold to be 19,000 taels, the silver 100,000 taels, the treasury notes 3,600,000 ting. This, however, was not enough. To meet this deficiency 200,000 ting were borrowed from the reserve, which constituted the capital of the treasury notes. He asked the Emperor to adopt a policy of economy. To this the Emperor gave his assent. It is generally agreed that the management of the revenue in the Yuen dynasty was best conducted in the Ch'ü-yuen period, 1264 to 1295, and in the Ta-tê period, 1297 to 1308. After 1308 the expenditure grew by leaps and bounds; various new taxes were levied month by month and year by year, and in 1309 the expenditure was twenty times as great as in the periods Ch'ü-yuen and Ta-tê. There was no reserve of capital, nor were there any decided efforts to limit the expenditure to the amount of revenue received. The Yuen dynasty was disposed to liberality. The deficit in receipts was not compensated by any such measure as the *kau-mien* tax, the loans from merchants or the special or general administrative taxes levied in former times.

The special taxes may be exemplified in the extra tax in 1122 imposed on Chinese alone and in the so-called administration tax, King-ch'ü-t'ien,‡ collected in Kiangsu and Chekiang to meet the deficit in revenue receipts and expenditure. The office for these taxes was at Hangchow.

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\* 中書省.

† 樞密省.

‡ 經制錢.

*Official Regulation of Tax-paying Liability.*

The influential proprietor pays too small a proportion of taxes, while the poor farmer is liable to taxation, even when the produce of his land is, by disaster, far below the yearly average. Such are the conditions which render it necessary to regulate officially the area of taxation in all parts of the country. The *king-li*\* system commenced about B. C. 200 and was continued for two centuries. It is liable to be abused and may lead to mischievous results. In A.D. 1314 the Mongol Chang-lü addressed the Emperor Jen Tsung in the following manner: The King-li system was adopted by Shī Tsu (Kublai). Deception is practiced as when cultivated land is stated to be barren land. Rich men buy poor men's land and state it to be still owned by poor men. Chang Lü and others were sent to inquire into land taxation in Kiangsu, Chekiang, Kiangsi, and Honan. The owners of land were required to state truly the amount of their land. If any one represented cultivated land as untilled land or as marsh land, he was liable to be beaten with seventy-seven stripes. Any one who took unlawful possession of land from which the owners had fled elsewhere, or who represented official land to be owned by private persons, could be informed against and become degraded one step, if the land had an area of twenty mow. If any one said the land of private owners was official land and the area of the land was upwards of twenty mow, and less than 100 mow, he could be banished to some locality in North China, and the land would be confiscated. City magistrates who did not inquire into the circumstances were also amenable to punishment. The punishment would be proportioned to the enormity of the offence.

It was impossible to prevent the acts of greedy men, cunning tax gatherers, covetous magistrates, because they

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\* 實理.

would press the poor when the day of payment was near and substitute fiction for truth. The official registers could not be trusted. Robbers started into existence, and very many farmers could not live in comfort. The Emperor Jen Tsung learned these things and gave the order that the provinces mentioned should be relieved of land tax for two years. The governor, Tsung Kwan,\* of Kai-feng-fu province, reported the abuses which had come to his knowledge. He was a Mongol named Ta Hai. The Emperor ordered the land in Honan from 1318 forward to be free of half the land tax. In the Pien-liang province 220,000 piculs were deducted from the amount due. In 1224 the whole of the additions which had been made without authority were ordered to be expunged from the registers.

The following areas of cultivated and uncultivated land are all we were able to collect from the registers still accessible:—

Honan, 118,069,900 mow.

Kiangsi, 47,469,300 mow.

Kiangsu and Chekiang, 995,008,100 mow.

### *Agriculture and Silk Culture.*

When Kublai became Emperor he issued an edict, in which he said that it is necessary to give attention to the improvement, both of farming and sericulture, because the people depend upon the cultivation of the soil for food and on the silk worm for clothing. The work called Nung Sang T'si Yau,† is a compendium of information on farming generally and the mulberry tree in particular. This Emperor's thoughtful care is equal, says the Chinese historian, to that of the ancient Chinese Emperors and greatly exceeds that of the Liao and Kin rulers.

In A.D. 1260 he ordered the governor of each province (Lu) to select persons who were well acquainted with agri-

\*總管.

†農桑輯要



culture to act as exhorters to instruct the people in the various departments of agricultural work. They were called *Ch'uen-nung-kwan*\*. Next year he placed over them *Ch'uen-nung-sit*† to the number of eight. In 1264 an officer was appointed to give his attention specially to improvements in farming, sericulture, and irrigation. The exhorters were informed that they must go on circuit to the various cities. They had power to cashier any officers who were unfit for their duties and to recommend for promotion any magistrates who discharged their trust in a meritorious manner. They examined magistrates to learn how far they were qualified to instruct in these subjects. When their term of office was ended they drew up a statement of the conditions as to farming, silk culture, and the efficiency of the rivers and canal systems of the region under their temporary control. Those who travelled round circuits sent up reports each year to the inspectors of agriculture and silk and to the Revenue Board with this aid. The Board framed its list of magistrates deserving promotion or needing black marks, and the provincial judge took notes for his guidance in regard to such action as might need to be taken.

In the same year a book on agriculture and the mulberry, named *Nung Sang Chā Chā Shā T'au*‡, was published, to be used by officers. In the vicinity of every city there was an organization of village elders. Fifty families constituted a *Shē* § or hamlet.

#### *Instruction in Agriculture.*

Hamlet elders must be skilled in agricultural knowledge. A hundred families were presided over by a village elder. When houses were fewer than fifty, two or three were grouped together, so as to be ruled by one head borough, or village elder as the case might be. Then the word *Shē* was in use, but it has

\* 勸農官.

† 司.

‡ 農桑之業十四條.

§ 社.

now been abandoned in Kiangsu and Chekiang. The elder of a large village is styled Yü-chang\* at Kia-hing. At Shanghai he is called T'u-chang†. There is no instruction now given on agricultural subjects or sericulture in Kia-hing prefecture; every one is left to do as he pleases. It is interesting to observe that six centuries ago, under Kublai, a regular system of instruction was established on these subjects by imperial authority. The officer called the agricultural exhorter, the agricultural inspector, and the village elder, were all expected to instruct the people in the best way to farm their land and tend their silkworms.

All farmers had a registration tablet placed at the border of their land. On it their names and the Shé or village to which they belonged, were written. From time to time the village inspector came round, read the tablet and gave instructions to the farmer. If the farmer paid no attention to the warning given his name was registered and he was reported to the T'i-tien-kwan‡ for punishment.

Any person who did not honour his parents or elder brothers or was guilty of acts of violence was reported in the same manner. His name also was inscribed on the tablet in large letters, in the hope that he would be penitent and change his mode of life. When he did so change for the better the tablet was destroyed. If during a whole year he did not improve his behaviour he was punished by being made a servant of the village elder.

Should there be in the village sick persons, if any one had died and there were funeral ceremonies to be performed, so that a man was unable to do the work of a farm, he was supported by the contributions of the people of the same village.

When, as sometimes happened, the people of one village suffered by storm, lightning or inundation, the neighbouring villages gave them aid.

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\* 圩長.

† 圖長 T'u chang.

‡ 提點官.

The care of rivers and canals was regarded as the duty of the magistrate. He appointed an officer to superintend the deepening of water courses. Should the people not be able to do the work themselves the officers who superintend rivers and canals assisted them.

Where the land is too high for water to pass to the fields, the bucket wheel contrivance is to be used. If the people were too poor to buy it, the officers assisted them. The wood for the irrigation machine was lent them, and when the harvest was gathered in they paid for it. Land where wells were wanting, was supplied with wells by digging. If water was not reached the farmer was allowed to employ the land for mulberry cultivation, fruit trees, and vegetables. Land which could be irrigated, should not be employed for mulberry and vegetable cultivation.

#### *Cultivation of Various Plants.*

Each farmer could in a year plant twenty mulberry or jujube trees. If the land was not suitable for them, it was allowed to the farmer to plant willows or elms. The same number of trees was prescribed. Those farmers who planted fruit trees could each have given them about ten slips of small fruit trees. Those who wished to plant more could receive more; such trees were not given to persons without land nor to sick persons. The inspecting officers must not report any case untruly. If they did so they would be punished.

Orders were also given that lucern and clover (mu-sü)\* should be grown as a substitute for rice and wheat in years of scarcity. It was also allowed to persons whose land was at the water side to dig ponds and allow fish to propagate as well as geese and ducks. In these ponds they might sow the seeds of water plants, such as the water lily and the water

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\* 苜蓿.

calthrop\* called *Sagittaria sagittifolia*, which grows two feet high from seeds placed in the mud bottom of the lake or canal. The stem ends in a leaf having an arrow head. Reeds, rushes, the *trapa bicornis*,† called ling by the Chinese, and the slips of the plant called *ki-t'eu*‡ were also used. The cultivation of these plants was encouraged because they supply food and clothing. Waste land was divided among poor farmers in preference, and after them to other persons. Every year in November the magistrate appointed an inspector of farms, who travelled round the region under the jurisdiction of the magistrate to see that rules were attended to. Should there be eggs of locusts or other destructive insects, some method was initiated to rid the region of these pests. It was real charity when officers saw that in all parts visited by them there was no neglect in this matter.

#### *Inspectors of Farms.*

In the year 1272 Kublai gave the order that the inspector of farms should report those farmers who were diligent and those who were neglectful. Among those reported well of the Kau-t'ang sub-prefect was promoted for diligence, while the magistrate of Shan-hien, in Honan, was lowered some steps in official rank for neglect. Every year these rules were publicly announced. In 1273 Mongols of the class *demochi*, (helpers) were in various places introduced into the village communities and reckoned among the old inhabitants.

In 1288 officers named Ta-sī-nung-sī.§ inspector of agriculture and Ying-t'ien-sī, land surveyor, were appointed in the province of Kiang-nan. In 1291 a book called Miscel-

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\* The *Euryale ferox* is allied to the water lily, has spotted leaves and contains starch. The meal of the seeds is made into biscuit. The seeds are called 茨 ch'ien 苡 shī.

The plant named calthrop is *tribulus terrestris*. It grows on walls, and is called tsī 茨. There is also the plant written 茨姑, the *sagittaria sagittifolia*. It grows in water and has an arrow-like leaf two feet high.

† 菱 Ling.

‡ 雞頭 Ki-t'eu.

§ 大司農司 and 營田司.

laneous Directions on Agriculture and the Planting of the Mulberry\* was despatched from Peking. It was found that in Kiang-nan officers charged with the duty of exhorting the farmers used their appointment to trouble them. A change was made. The officers were not to go round personally. A memo of instruction on farming and silk culture was sent to each householder. In 1292 the exhorters of the farmers went by appointment to each province to use the experience they had acquired in Kiang-nan. The officer entitled Su-cheng-lien-fang-si† had two clerks with him to aid in instructing the farmers and in seeing that their work was well done. In September it was ordered that officers who kept account books and attended to farming affairs should, if found to be in fault, be punished with a reduction of salary.

In consequence of this diligence in managing the administration the people were prosperous all through the reign of Kublai, 1260 to 1295. The population at that time was, in families, 11,633,281; and in all counted individually, 53,654,337. This number must be regarded as the more deserving of confidence because of the practical cast of the Emperor's mind and his diligence in transacting business. To secure his approbation the returns of population would be made with more care than usual.

#### *The Reign of Temur or Ch'eng-tsung.*

In 1297 the order was given by the new Emperor that no service should be demanded from the farmers which prevented their doing what agriculture and sericulture required. In 1307 all interference with the farmers so far as it caused them to feel aggrieved, was forbidden. Farmers who were diligent were to be rewarded, and idle men who spent their time in gadding here and there, were to be punished. If any farmer allowed his cattle to injure standing corn, mulberry

\* 農桑雜令.

† 儒政廉訪司.

or jujube trees he must pay for losses sustained and be otherwise punished. By this wise legislation the reputation of this Emperor was nearly as great as that of Kublai. Yet the prosperity of the empire was seriously injured by drought and floods and the farmers left their land in great numbers.

In 1309 (Miao Hau-ch'ien),\* a native of Hwai-an prefecture, presented to the Emperor an improved plan for mulberry cultivation. Farmers were divided into three classes. The first class held ten mow or more, the second class five mow or more, and the third class three mow or a mow only. All were to erect walls or hedges round their holdings. When the mulberries were ripe they should be plucked and the seeds planted. The Emperor ordered this method to be put into practice. It is found in the old book, T'si-min-yau-shu,† and in other works.

In 1310 it was ordered anew that the president of the Board of Revenue should collect books on the occupations of the farmer and revise the edict exhorting the people to diligence and instructing them in agricultural methods. They were encouraged to cultivate all waste land not used by shepherds as pasture. Especially should the autumn sowing be extended so as to give increased strength to growing plants.

#### *The Reign of Jen Tsung, 1312 to 1321.*

In 1313 the order was repeated to cultivate waste lands in autumn when through the withering of all sorts of plants the land is clear. But an exception was made in the case of the five provinces near Peking. In these provinces one-half of the land was not to be ploughed up. The reason given is that autumn ploughing buries the heat (the expression used is yang c'hi‡) in the earth. The germs left by the hwang and nan locusts are exposed to the sun's rays and die. The next year's sowing will be followed by a more abundant harvest on these two accounts.

\* 苗好廉。

† 齊民要術。

‡ 陽氣。



In 1316 it appeared that in places where the mulberry was planted according to the method of Miao Han-chien, above referred to, there was an excellent result. This was officially announced to all the provinces, and the new method was to be everywhere adopted. In December it was publicly ordered that each village elder must distribute mulberry slips, on receiving them, to the villagers around. In 1317 the system according to which mulberry slips were distributed by the village elder was found not to work well. The order to the people to plant them, though several times renewed, was ineffectual. The magistrates neglected their duty.

In 1318 the president of the Board of Revenue said at an audience that the statements given respecting the planting of trees contain many names of books which are not real. It is thus shown that it is not only men in office that are indolent; the writers of books also are at fault. After the year 1328 there was more diligence shown in bringing before the people the edicts which urged on them the need of improving their methods in farming and sericulture. In 1330 the examiners in each province reported six officers who were diligent in the discharge of this duty. Four magistrates were impeached as indolent and neglectful.

#### *Levy of Grain to Feed the Army.*

The Yuen dynasty in taxation followed the example of the Tang dynasty. The taxes levied on the metropolitan province were chiefly a poll tax and a land tax. This system is like that of the Tang dynasty, called Tzu-yung-tiao\*. In Kiangnan there was an autumn and summer collection of taxes as under the Tang Emperors. The first Mongol sovereign to institute the poll and land tax was Ogdai, the third son of Genghiz. Each farmer paid two piculs of millet to government. But there was not enough for distribution to the

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\* 租庸調.

army, and four piculs were ordered to be levied. In 1282 an edict said that in each province the men of adult age were to be counted and one picul of millet was required from each. Exiles\* paid half a picul. New arrivals paid half of these amounts. The superannuated and those under age were omitted. A tax was levied on ploughs and oxen. When the number of adults was large and the land tax small in amount, a poll tax was levied. When the poll tax was small and the land tax considerable in amount, the land tax was increased. In the case of workmen, artisans, and Buddhist and Taoist priests, the amount of land was considered in fixing the tax. For officers and merchants the number of persons was made the basis for fixing the tax. Those who gave false information were chastised with seventy blows and were banished for two years. In the annual register the amount of tribute due was entered, though the men themselves were banished. This tribute included poll tax and land tax. The local tax office was called Ko-shui-so†. The officer in charge forwarded to the Revenue Board in Peking a statement of the local taxes in detail. The punishment for omitting to do this was one hundred lashes.

#### *Regulations Made by Kublai.*

In the reign of Kublai the day of tax payment was fixed. All details, such as the mode of collection, the use of the genuine official seal, and the system of keeping accounts were all definitely arranged. In 1261 it was announced that grain from a distance should be given over to the government officer at a granary near a canal or river. A conveyance tax was charged in addition to meet the official outlay required in forwarding the tribute grain to Peking. Three mace in the bank note currency of the Chung-tung period were demanded

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\* 驅丁 Chü Ting, men dismissed from duty for some reason.

† 課稅所.

for every picul. If the people brought the tribute grain themselves to the granary on the river side they were called on to pay 700 cash for every picul as a tax to cover expenses. This was called the Ching-chi\* tax. The cash were paid in Chung-tung notes. The phrase is Chung-tung-chau-tsi t'sien.†

In the year 1265 the tax for land owned by Buddhist and Taoist priests and for Confucian scholars was three pints or sheng for each mow, and if it was bordering on a river, five pints. Land belonging to soldiers stationed at each chan or guard house on public roads, with the exception of 400 mow which they received free from taxation, was charged like that of the common people. In 1271 it was decreed that in the province Chung-hing, taken from the Si-hia kingdom, in the prefecture Si-ning, and in Uli-ang-hai in north-western Mongolia, the land tax should be the same as for the land of Buddhist priests in China generally. In 1280 the Board of Revenue was ordered to frame regulations for taxation. Each farmer paid three piculs of millet as a poll tax and three pints of millet as a land tax for each mow of land possessed by him. Persons who belonged to the class of those who were entitled to a reduction of one-half were required to bring one picul as poll tax. The newly-reaped millet was given to the farm secretary. The first year half a picul, the second year three-fourths of a picul; the third year, one one-fourth piculs; the fourth year, one and a half piculs; the fifth year, one three-fourth piculs; the sixth year, it became poll tax. Another heading was assistant poll tax, Hie-tsi-hu-ting shui.‡ Each farmer of this class paid one picul of millet. Land tax, three pints of millet for each mow. In each province, when the

\* 輕資 Chi means carry; it is 帶 Tai.

† 中統鈔七錢. The old sound of 錢 is Dien as in Shanghai at present. It was so named from its being thin. A hundred cash was called P'sien. A thousand was 兩 Liang, probably 100 cash were represented by a single coin which received the name dzien, mace. The Roman denarius was  $\frac{1}{10}$  of an oz.

‡ 協濟戶丁稅.

granary was near, the millet was brought there. When the granary was distant for every picul there was a charge for conveyance. It amounted to two taels in bank notes. Rich farmers took the tribute grain to a distant granary. Poor farmers took the tribute grain to a granary near at hand.

The city magistrates sent a responsible officer to manage granary affairs. For each picul there was a rat and waste tax of three pints a picul and an extra expenditure tax, Fen li.\* When grain was brought to the granary if copper money was given to the farmer on receipt there was a fault somewhere. Guilty persons were punished.†

The time for bringing grain to the granary was, first, in November; secondly, in December; thirdly, in January. Those who transgressed this rule received forty light blows on the first occasion and eighty heavy blows for a repetition of the offence. In 1302 regulations for grain tribute were published by authority. For Peking the first time of payment was June in the next year and the second and third payments were in July and August. In Ho-kien Fu the three paying months were October, November, and December. In Kiangnan the old system of summer and autumn collection was maintained. When Kublai added the Sung empire to his dominions by conquest he ordered changes to be made in the system of the autumn collection; but Kiangsu and northern Chekiang were excepted. In 1283 Yan Yuen prayed the Emperor to order the Sung dynasty system of grain taxation to be retained. Grain might then be changed for raw and woven silk or other articles. To this the Emperor assented. In March of the same year Keng, an assistant minister, asked the Emperor to order one-third of the tribute

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\* 分例.

† If influential persons contracted for a fixed sum to collect the taxes punishment was inflicted on such underhand proceedings. If the fault was on the side of the farmer he paid double the registered amount of grain or money due from him

to be in rice and the rest in bank notes at a valuation. Each year the amount received in notes was 1,400,000 ting in excess of the authorized amount, namely seven millions. A ting was nominally fifty taels in silver. The rice given in as tribute was measured with the Sung dynasty peck (tow) and picul (hu). A picul in the Sung period was seven pecks (toll) in the early Ming period.

In A.D. 1291 an order was issued to exempt those Buddhist and Taoist temples in Kiangnan from land tax which were exempt under the Sung Emperors. But the land of new temples was to be taxed. This is an example of kind feeling toward the persons exempted from taxation. Such is the opinion of the Ming dynasty historian.

In 1296 the new Emperor, Ch'eng Tsung, ordered the summer tax also to be collected on a new system. The autumn tax was to be levied on land only. The summer tax was collected on cotton, which was probably taxed for the first time in China in the latter part of the thirteenth century, on cotton cloth, grass cloth, silk cloth, and raw silk. Instead of a picul of grain, notes might be paid representing 3,000, 2,000, 1,000 or 1,500 cash as the market price required. There were notes also for 1,700 cash. The notes for 3,000 cash were payable in Kiangsu, Chekiang,\* and Kiangsi. The price 1,000 cash was on account of comparative poverty fixed for the grain of Fukien, north and south, in all its five superintendencies. The price 1,500 cash was followed in five superintendencies belonging to Kiangsu, Chekiang, and Fukien, including Shau-hing and Changchow.† The prices of each superintendency and its comparative populousness were taken into account in estimating the number of cash to be paid in lieu of grain, and an average value was chosen as a standard for the whole

\* Wenchow is mentioned as a superintendency under the name 婺 Wü. There also the market rate was 3,000 cash.

† 漳州.

superintendency. In each case the time of year when each kind of produce was mature and its relative value was also considered.

When Hu-kwang was conquered by Arhaya, he abandoned the summer collection of tribute and established in place of it the Honan house tax of 1,200 cash. The tax as counted in bank note currency was 50,000 in addition to the summer collection. In 1298 Governor Chang Kwo-ki prayed the Emperor to enforce the summer collection. In consequence Hunan and Hupei suffered very severely. This did not, however, last long. An edict brought it to an end, and in 1299 the house tax was replaced by the summer collection, and the two became one. A picul of grain counted as 3,400 cash. This was a heavier rate than that levied upon Kiangsu, Chekiang, and Kiangsi.

Official land is like our common land in England. The people were allowed to cultivate it on condition of their paying land tax. In Kiangp'í, north of the Yangtsí, where it approaches the sea, the unoccupied land was distributed to applicants on condition of their paying land tax in the third year. In 1300 it was considered that the land there is extensive and very thinly inhabited. The first payment of land tax was therefore postponed to the fourth year.

In 1324 a new impost was required. It was called the assistant service grain tribute, *Chu-yi-liang*.\* In Kiangnan all persons who had more than 100 mow of land were charged so much in addition to the regular annual tax. The excess was entered in the register; the constable had the management of it in each locality. The expense of local services was thus met. If the property of Buddhist and Taoist temples was exempt in the Sung dynasty it remained exempt under the Mongols, but in cases where there was no precedent of this kind the religious houses which had land were charged for

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\* 助役糧.



assistant service. The rich only being liable for the impost, the common people were relieved. The assistant service tax and other imposts are mentioned here to show how favour was shown to the poor.

*Amount of Grain Tribute.*

The total amount of grain collected each				
year was ... ..	12,114,708	piculs.		
The contribution in the vicinity of Pe-				
king was ... ..	2,271,449	"		
The contribution from the remaining				
nine provinces was ... ..	9,843,255	"		
Liauyang ... ..	72,066	"		
Honan ... ..	2,591,269	"		
Shen-si ... ..	229,023	"		
Sichwen ... ..	116,574	"		
Kansu ... ..	60,586	"		
Yunnan ... ..	277,719	"		
Kiangchê ... ..	4,494,783	"		
Kiangsi... ..	1,157,448	"		
Hukwang ... ..	843,787	"		

At the time when these statistics were compiled Canton was not yet subdued. Kweichow, and perhaps Kwangsi, were counted with Yunnan, Shansi, and Shantung; tribute grain swelled the total of Chili and Honan.

In 1329 the three provinces, included under the designation Kiangnan, yielded on the whole 149,273.33 Chung tung notes of the face value of fifty taels of silver. The first of these, Kiangchê contributed, 57,830.40; Kiangsi, 52,895.11; Hukwang, 19,378.02.

*Silk and Silver as Tribute.*

In 1236 the Emperor Tai Tsung (Ogdai) made a law regarding silk as tribute. Two householders in one locality and five in another might contribute one catty. At various localities silk thread and colours were also taxed and were con-

tributed by the taxpayer to the revenue; the local product was given in as tribute or silver in place of it. In 1255, when Mangu was Emperor, silver was introduced as an alternate payment under new regulations. Before this Chinese farmers paid six taels of silver. This was now reduced to four taels. Two were in silver and two in raw silk, silk cloth and colours.

When Kublai succeeded Mangu more minute regulations were made. In 1260 the empire was divided into ten provinces, each under a governor, Sinen-fu-si. Occupiers of land and houses were divided into several classes. The family chiefs, Yuen-kwan-hu,\* were the first named. They included a class termed Si-yin-tsinen-k'o-hi-kwan-hu † This means that the levy of silk and silver was made without reduction according to regulations officially compiled. Each farmer paid by official weighing one catty, six ounces, four mace of raw silk and of silver four taels.

There was an office named Ts'inen k'o-hi-kwan-hu-hu ‡ Farmers in a group of five, with official authorization, paid in full the silk and silver for which they were liable. Silk farmers paid each one catty of hi-kwan-si§ raw silk as weighed officially. The group of five paid six taels, four mace of raw silk and an amount of silver which was the same as that levied upon farmers who were at the same time official persons, hi-kwan-hu.||

A class named kien-pan-k'o-hu¶ paid half the normal tax. Each farmer in this class contributed eight taels of officially weighed silk. The group of five united in giving three taels, two mace of raw silk, and two taels of silver. The class Chi-na-hi-kwan-si-hu\*\* of those country people gave in only raw silk as tribute as in the provinces of Peking, Lung-

\* 元管戶. Original managers in the Sung dynasty,

† 絲銀全科係官戶.

§ Regulation silk 係官絲.

¶ 減半科戶.

‡ 全科係官五戶.

係官戶.

\*\* 止納係官絲戶.

hing, and Siking, where ten families gave in one catty each of raw silk. On the south of Peking, where ten families gave as tribute fourteen catties, each farmer contributed one catty, six taels, four mace. The class *Chī-na hi-kwan-wu-hu-si-hu*\* consisted of country people in groups of five, some of them having official rank, contributing only silk. Each farmer contributed officially weighed raw silk one catty. The group contributed six taels, four mace of raw silk. In the class *kiau-tsan-hu*† there were farmers who contributed silk and silver. Each of them contributed one catty, six taels, four mace of officially weighed raw silk and four taels of silver. In the class *len-tsi-hu*‡ the farmers who only contributed raw silk each of them gave in the same amount as the farmers of the last class named (len, omission of their names in the Tsi register).

The contribution made by the farmers who were liable for bank notes only was in the first year one tael, five mace of silver: the notes being taken as payment made in that metal. In each successive year they gave in five mace more till the sum reached four taels, when they were also liable for raw silk. The farmers who contributed silk and silver and belonged to the class *Hiê tsi-hu*§ each gave in ten taels, two mace of raw silk weighed officially and two taels of silver. The amount of silk given in by farmers who belonged to the class which only contributed raw silk officially weighed, was the same in value with the contribution of farmers who contributed silk and silver. Those farmers who had silk apportioned in equal shares, we should now say formed a company, *Tan-si kung si*. But six centuries ago the phrase *t'an-si-hu* was in use. Each shareholder contributed four catties to the government revenue.

Each farmer under the jurisdiction of an officer called *Isudayer* was responsible for a contribution of fine silk, the

\* 止納係官王戶絲戶.

‡ 協濟戶, Assistant householders.

† 交參戶.

‡ 補養戶.

§ 協絲戶.

same in amount as that for which the shareholders in the silk company just mentioned were liable.

Farmers belonging to the class fu-yê-hu,\* or to the class tsien-ch'êng-ting-hu† were in the first year exempt from taxation. In the second year they contributed half the normal amount. In the third year they paid the same as ordinary farmers.

#### *Payment in Bank Notes.*

Besides the silk and silver taxes there was the bank note contribution. Farmers were of two kinds: rich and poor; the rich paid a tael and the poor half a tael. They were called in the books ts'uen-k'o-hu‡ and kien-pan-hu.§ Full payment was as a tax called Ta-men.|| There were times in the year when it could be paid. In localities where there were floods or drought other articles could be substituted for those usually contributed, but they were taken at the market value.

Scholars, soldiers, and Buddhist and Taoist priests were exempted.

In 1261 Kublai fixed the time of year when tribute was due. Silk was levied in September, silver in August, November and December. In 1262 it was ordered that the contribution of silk should not be later than September nor that of silver later than October. South of Soochow the rule relaxed and more liberty was enjoyed. In 1291 it was decided that all taxes should be under the control of the city magistrate. The magistrate established tax offices and appointed officers to take charge of them. In collecting taxes the rich and influential paid first and later the poor. The collection was made first where the men were most numerous and later where adult persons were few.

\*復業戶. Those who returned to their farms after having left them.

†漸成丁戶. Farmers approaching manhood.

‡全科戶.

§減半戶.

||大門.

In 1302 it was decided that one tael of silver in Chung-t'ung notes should be contributed by each household of the class of those who paid only in silk. Twenty-five candareens of silver should be contributed by each household who was registered as a ratepayer in silk. Five catties and a half of raw silk should be paid by every ratepayer who belonged to a silk company of co-operative workers. Silk was ordered to be contributed in September and silver in the form of bank notes in October. In November woven fabrics were contributed. The legislation of Kublai was the basis and there were additions made here and subtractions there.

*Total Collections of Silk, Notes, Silver and Cloth.*

In the year 1263—silk, 712,171 catties; notes, 56,158 ting.\* In 1265—silk, 986,912 catties; silver and notes, 56,874 ting; woven fabrics, 85,412 pieces.

In 1266—silk, 1,053,226 catties; silver and notes, 59,085 ting. 1267—silk, 1,096,489 catties; notes, 78,126 ting. 1329—silver and notes, 989 ting; strings of cowrie shells, 1,133,119; silk, 1,098,843 catties; woven silk, 350,530 pieces; cotton, 72,915 catties; woven cloth, 211,223 pieces.

At this time in the early part of the fourteenth century, under the Mongols, cotton began to take the place of silk for the clothing of the Chinese people to a large extent.

*Sea Transport of Grain Tribute.*

When Peking became the Mongol capital far away from Kiangnan, the province to which the gentry and people, officers and soldiers looked for food, it became necessary to find a mode of easy transport of rice by sea. The chief Minister Bayen recommended transport by sea of rice from Kiangnan in spring and in summer. The amount of rice sent to Peking in a year amounted to 3,000,000 piculs. If the

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\* Ting 錢, value of 50 taels of silver.

government undertook this transport the people would be saved the trouble of conveyance and the State would possess an enormous supply of food in its granaries. This would be a policy, the excellence of which could not be exceeded. When Bayen was in Kiangnan, which he subdued for the Emperor, he ordered Chang Siuen and Chu Tsing to take with them to Peking the maps and registers found in the record chamber of the Sung dynasty. They were to take them to Peking, going by the island of Tsung-ming by sea; and he also directed that grain from northern Chekiang should be conveyed across the Yang-tsī-kiang to the Hwai river. The grain would be taken against current up the Yellow River to Chung-lan.\* From this point it would be carried by land to Chi-men.† where the Grand Canal would be reached and so the tribute grain would be taken to Peking during the rest of the way by water.

Afterwards the Mongols made use of the Sī-ho‡ flowing past Tsi-chow.§ They excavated a canal from the Hwai river north to Sin-k'ai ho. || They then took the grain by the Ta-ts'ing-ho to the sea, which they entered at Li-tsin in Wu-ting-fu, the northernmost prefecture in Shantung. But sand banks at the river mouth soon offered obstruction, and the tribute grain had to be taken north by land from Tungngo to Lin-tsing, where the Grand Canal was made use of. A canal between Kiau-chow, where a German colony is now settled, and Lai-chow-fu to the north of it on the Gulf of Pechili, was commenced at this time. Much money and labour were expended, but before completing the enterprise the promoters abandoned it.

\* 中潯 Wrongly written 中潯. The Lo passes the city of Tsinan.

† 進門 is a district city lying about sixty miles south of Chang-tê fu.

‡ 泗河.

§ 兗州. The Sī-ho also passes Ch'ü-fu, the city of the descendants of Confucius; Yen-chow-fu on its way to Tsi-ning (Tsi-chow), where it enters the Grand Canal.

|| 新開河.



In A.D. 1282 Bayen called to mind his having sent the Sung dynasty maps and registers by sea to Peking. Why should not tribute grain be conveyed that way also? He therefore asked the Emperor to order the Shanghai tribute grain managers Lo Pi, Chu Ts'ing and Chung Siuen to build sixty flat-bottomed sea-going vessels which would convey 46,000 piculs of rice from Shanghai to Peking. They were delayed by unfavourable winds, which obliged them to take shelter in harbours on the way. It was not till 1283 that the fleet arrived at Chi-ku. They had crept along the coast slowly and had lost much time. The Emperor was dissatisfied. In January, 1283, two officers were appointed to manage the import of tribute grain from Kiangsu to Peking with assistant officers. These managers were called king-ki-kiang-hwai-tu-ts'au-yün-si.\* Each year the Kiang-hwai manager sent rice from Kiangsu to Chung-lo. From that point the Peking manager took charge of the conveyance to Peking.

In 1283 Abachi and others were appointed to open up the new rivers. But where the junks were obliged to wait for tide to enter the river, many were injured by accidents. The people complained of hardship, and Meng Ku-tai in an audience referred to the fact that the grain junks coming by sea had all arrived. It was therefore decided that the work on the new canal should cease and that the grain junks should take the sea route. To carry out this change in grain conveyance two officers were appointed with the title Wan-hu-fu.† One of these was Meng Ku-tai.‡ Chu Ts'ing, a Chinese, was made Chung-wan-hu§ and Chang Siuen received the title of Ts'ien-hu.||

A short time afterwards a division was made in the grain transport. Boatmen and soldiers were set apart to do

\* 京畿江淮漕運圖記.

† 萬戶府.

‡ Meng Ku-tai was made 萬戶府達魯噶魯. Darakchi is superintendent.

§ 中萬戶.

|| 十萬戶.

work on the new canal. There were boats employed for grain transport at Yang-chow and Ping-wan. Two thousand boats were demanded from three provinces. They were to carry grain by Tsi-ning-chow to Peking.

In 1287 an office in Peking, named Hing-ts'uen-fu,\* was instituted to maintain control over the tribute grain sent by sea. Two additional offices in Peking were established, named Wan-hu-fu.† During this year the transfer of grain by Tung Ngo and Ping Wan was discontinued. In A.D. 1288 two new managers of the sea transport of grain were appointed. One was located in Peking and the other at Ho-si-wu, half way between Tientsin and Peking. In 1291 Chu Ts'ing and Chang Siuen were made managers of the grain tribute transport. Under them were various subordinate officers. In 1311 officers were sent to Kiangsu and Chekiang to study the question of sea transport. The tribute grain was sent by sea from Kiangsu, Ning-kwo and Ch'ï-chow in An-hwei, and from Jan-chow and Kiukiang in Kiangsi. Difficulties occurred through the rapids and hidden rocks in the Yang-tsi river. Many grain junks year by year were wrecked on rocks and sand banks. Grain junks, coming from Kiangsi and Hukwang, arrived at Chekiang, where the grain they brought was transhipped to sea-going junks. It was found that vessels with broad decks and narrow at the keel were not suited for the Yang-tsi river. In that river flat bottoms are indispensable to carry vessels across reefs and single rocks beneath the water surface. On this account the grain tribute from the Kia-hing and Sung-kiang prefectures, collected in the autumn, together with the silver and copper collected in Nanking and Hwai-an, as well as in the Kiang-chê province as it was then denominated, were both under the care of the Wan-hu-fu in Peking. This metropolitan Board bought the required grain in Kiangsu and Chekiang, so that it would not be

\* 行泉府.

† 萬戶府.

necessary to send grain from Hu-kwang and Kiangsi. By this procedure the sea transport of tribute grain came to be very convenient as an administrative measure.

There was a charge for conveyance to Peking. In Chung-t'ung bank notes for every picul the rate was  $8\frac{1}{2}$  taels. This was afterwards reduced to  $6\frac{1}{2}$  taels. It was an additional burden on the tax payer. In 1310 it was found inconvenient to send Fukien and Chekiang grain to Soochow, where it was required by Mongol troops. The way was too long and the expense too great. An addition was made of Taels 1.0.0 in Chi-yuen bank notes. For glutinous rice the charge was Taels 1.7.0. In the next year there was an increase. For rice it was Taels 2.0.0 and for glutinous rice Taels 2.8.0. For unshelled rice\* of a large size the charge was Taels 1.4.0. In 1314 another change was made. Junks from Fukien brought unshelled and unpurified rice called ts'au-k'ang-mi.† The price of conveyance was Taels 13.0.0 a picul. Ts'au-k'ang glutinous rice was brought at Taels 10.5.0 a picul from Wenchow, Taichow and King-yuen. The same article brought from Shau-hing and the Chê-si province was charged Taels 11 for a picul as a tax for conveyance. White hard rice was of the same value as unshelled rice. The conveyance charge was Taels 8 for a picul. For a picul of black beans the same charge was made as for coarse unshelled white rice.

The route taken by grain junks was close under the shore all the way to Takoo up the Tientsin river and past that city to Yang-ts'un, twenty miles farther on the way to Peking. From Soochow, which was then called Ping-kiang, the junks went by Lien-ho into the Yang-tse river. They crossed to Tung-how, then belonging to the province of Yang-

\* Tau-ku 稻穀. Ku is properly grain. Its usual lok = 粒 has been from its pointed extremities.

† 糙杭米

chow. They proceeded to Yen-ch'eng or salt city belonging to Hwai-an prefecture. The junks crept along the coast to Kiau-chow. After more than a month they reached Ch'eng-shan\* at the promontory. Altogether the distance from Shanghai to Yang-tsun and Ma-t'eu, near Peking, was 13,350 *li*.

In 1292 Chu-ts'ing and others stated to the Emperor that the sea route close in shore was dangerous. It would be better to attempt a new route in deep water by avoiding the sand banks off Yen-ch'eng, which were formed by the old Yellow River outside of its mouth. They should be left on the larboard side and a bolder route attempted. The details are as here follow. The junks went out to sea at Lien-ho, twenty miles from Woosung to Ts'eng-kio-sha† and Chwen-sha-tsui.‡ From this point they went to San-sha.§ Leaving the Yang-tsi-kiang they reached Pien-tan-sha|| and Ta-hung.¶ They then passed Wan-li-ch'ang-sha.\*\* They then made for Tsing-shui-ying,†† crossed the Hê-shui-yang‡‡ and so reached the promontory, the chief turning point on the way to Tientsin. Passing Lien-tan outside of Wei-hai-wei they proceeded to Chefoo, where there is another important way-mark caused by the projecting mountain ridge called Chefoo Island. At Sha-men near Teng-chow-fu, the Miao-tau Islands were passed and the junks proceeded to Kiai-ho, 100 *li* farther to the south-west. From this point junks followed the coast to Taku, where they entered the Tientsin river.

In 1293 another change was made. The grain junks went from Lieu-ho; skirting Tsung-ming Island on the north side and passing three great sand banks they went more directly than before to the Shantung promontory. Then they followed the coast to Kiai-ho. When the wind was

\* 成山. This is the extreme easterly cape of the promontory.

† 摩脚沙.

‡ 大洪.

‡ 轉沙嘴

\*\* 島里長沙.

§ 三沙

†† 清水洋.

|| 團擔沙.

‡‡ 黑水洋.

favourable they reached Peking in ten days, but when storms interrupted them junks were often wrecked and their cargoes of rice lost in the sea. In this case the transport managers were called on to indemnify the government for the loss. If both junks and crew were lost the managers were excused. Yet compared with the transport by canal the saving was considerable.

*Annual Amount of Tribute Rice under the Mongols.*

1283	46,050 piculs.	Arrived	42,172 piculs.
1284	290,500	"	275,610 "
1285	100,000	"	90,771 "
1286	578,520	"	433,905 "
1287	300,000	"	297,546 "
1288	400,000	"	397,655 "
1289	935,000	"	919,943 "
1290	1,595,000	"	1,513,856 "
1291	1,527,150	"	1,281,615 "
1292	1,407,400	"	1,361,513 "
1293	908,000	"	887,591 "
1294	514,533	"	503,534 "
1295	340,500	"	..... "
1296	340,500	"	337,026 "
1297	658,300	"	648,136 "
1298	742,751	"	705,954 "

The transport rice during four years was above 700,000 piculs.

1302	1,383,883 piculs.	Arrived	1,329,148 piculs.
1303	1,659,491	"	1,628,508 "
1304	1,672,909	"	1,663,313 "
1305	1,843,003	"	1,795,347 "

In the years 1306, 1307, 1308 the amount fixed in Peking was each year between 1,200,000 and 1,800,000 piculs.

In 1309 the amount rose to 2,464,204, and 2,386,300 piculs were received.

In 1310 the numbers were 2,926,532 and 2,716,913; 1311 2,873,212 piculs. Received 2,773,266 piculs.

In 1312, 1313, 1314 the numbers were 2,833,505, 2,817,228, 2,403,264.

In 1315, 1316, 1317 the numbers were 2,435,685, 2,458,514, 2,375,345

In 1318, 1319, 1320 the numbers were 2,553,714, 3,021,585, 3,264,006.

In 1321, 1322, 1323 the numbers were 3,269,451, 3,251,140 2,811,787.

In 1324, 1325, 1326, the number of piculs was 2,087,231 2,671,184, 3,375,784.

In 1327, 1329, 1330 the numbers were 3,152,820 3,255,220, 3,522,163.

Thirty years after the Mongol conquest the grain revenue rose gradually from 300,000 piculs to 1,595,000.

In the forty-fifth year of Mongol rule it was 1,843,003. In the fiftieth year it attained the number of 2,926,532; that was the time of great prosperity. The highest amount reached was 3,527,163 in the year 1330 of the Christian era. It was the first year of Wen Ti, and his successor Shun Ti was the last Mongol Emperor. After he had reigned thirty-five years the Mongol dynasty was replaced by a native Chinese dynasty, which took the name Ming, illustrious.

In the Manual of the Board of Revenue, Hu-pu-tsêh-li, of the reign of Tau Kwang, the amount of rice required to be sent to Peking is 2,930,000 piculs, and of millet 300,000 piculs. Together they make 3,230,000 piculs. This is a little less than the amount required by the Mongol Emperors. The population has grown remarkably since that time. In the reign\* of Kang Hi an edict decided that the land and grain taxes should never be increased. This was a wise policy, and it is one of the causes of the increase in the population. From

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\* Kang Hi 52nd year, A. D. 1713



the figures given above and those of the Board of Revenue Manual it appears that the grain tribute of China has during six hundred years, amounted to about three million piculs each year.

*Bank Note System Under the Mongols.*

Bank notes began to be used in the Tang period, A.D. 618 to 905, and were more extensively employed in the Sung dynasty. They were then called kiau-ch'au and hwei-ch'an. Under the Kin dynasty kiau-ch'au were circulated. The articles of value represented were related to the notes representing them as mother to son. There is no satisfactory record of the mode in which the bank note currency of the Yuen dynasty before 1260 was originated and carried through. The Emperor Shī Tsu in A.D. 1260 had kiau-ch'au manufactured; they represented silk. Taels fifty of silver would buy 1,000 taels weight of silk, represented in notes of the face value of 1,000 taels. The tael is 1.302 ounces avoirdupois or 0.0377.33 kilogramme. The price of silk was a basis for the price of other articles. In the same year in November there was an issue of bank notes representing silver. There were notes for ten, for twenty, for thirty and for fifty cash, also for 100, for 200, for 500, for 1,000, for 2,000 cash. A note representing 1,000 cash, was worth a tael in kiau-ch'au or note currency, and two thousand cash in note currency represented one tael in silver. Silver coins were not yet in use. In 1204 a treasury was established in each province called p'ing-chun-k'u.\* Its object was to fix prices of articles and to present as far as possible the rise and fall of prices. Notes representing 12,000 ting or 600,000 taels were the reserve, and constituted the bank note capital.

In 1275 notes called li-ch'au† were issued. They represented two cash, three cash, and five cash. At first wooden

\* 平準庫.

† 歷鈔.

blocks were cut. In 1276 copper plates were used instead. It was soon found that paper cash of low value could not be circulated. The manufacture was stopped by order. The yuen-pau notes had been long in use, and had kept their place in public estimation, as the paper notes were light to carry and were on this account preferred. In 1287 notes called *chī-yuen-ch'au*\* were issued, eleven in number, of the value of 2,000 cash down to five cash. They were circulated with the notes earlier in use called *chung-t'ung* notes. Each province had a bank for the manufacture and sale of these notes. A tael of silver given to the bank was entered in the bank books as equal to notes representing 2,000 cash. A tael of silver given out counted as 2,000 cash; gold, one tael, was entered as 20,000 cash. When given out it represented 20,500 cash. Death was the penalty for manufacturing and uttering counterfeit notes. Informers whose testimony led to conviction were rewarded with five tings or 250 taels in notes. The confiscated property of the manufacturer of counterfeit notes was given in addition to the informer.

In 1309 the Emperor Wu Tsung issued *chī-ta†* notes representing silver. Their face value ranged from two silver taels to two copper cash. There were eleven intermediate values. The larger notes were two feet long. One paper tael of silver was equivalent to 5,000 cash in the *chī-yuen* paper notes. Thus the *chī-ta-ch'au* and the *chī-yuen-ch'au* were current at the same time. One mace of gold was equivalent to one tael of silver. By this time three kinds of bank notes of the Yuen dynasty had been in circulation. The circulation of *chī-yuen* notes was five times that of the *chung-t'ung* notes, and the circulation of the *chī-ta* notes again was five times that of the *chī-yuen* notes. Unhappily in Jen Tsung's time, 1312 to 1321, too large a number of notes was issued.

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\* 至元鈔.

† 至大鈔.

The proportion of the issue to the reserve was not maintained. A decree was published to stop the issue of paper notes representing silver. The notes of the Chung-tung and Ch'ü-yuen periods continued to circulate to the end of the Yuen dynasty. When notes became blurred and illegible in the year 1265 an officer went to the bank note office and had them changed for new ones. Thirty cash was charged to meet expenses. This charge was called *kung-me*.\* It was reduced the year after to twenty cash, but in 1286 it was again made thirty cash. The notes which represented one or more thousand, or one or more hundred cash, were not changed if the face value was legible. New notes were not given in place of old ones if the disfigurement was slight. The holders were told still to use them. If they disobeyed they were punished. The illegible notes were in each province when paid in every quarter entered as revenue. The chief officer sent them to the provincial capital to be there burnt. If they belonged to the province to which they were sent they were burned there.

In 1298 the Board of Revenue divided the illegible notes into twenty-five kinds. In 1327 an office for burning illegible notes was appointed with a special officer, *lien-fang-si*,† to inspect the burning on each occasion. An officer of the province to which the notes belonged, assisted in the duty of inspecting the burning. These particulars show the nature of the system then in use.

#### *Mint for Copper Cash.*

Copper money was employed from the Chow dynasty, eleven centuries before Christ, without any interval. Such was the confidence felt in the use of bank notes that for some years the Mongol monarchy added no more copper cash to those which were in circulation from former dynasties. But in A. D. 1310 the Emperor Wu Tsung established the *tsi-kwe*-

yuen,\* a department to manage the copper currency, and a mint, ts'uen-hwo-kien,† for the manufacture of new coins. They were called chī-ta-t'ung-pau;‡ one of these cash answered to one li in the paper currency. The notes were called chi-ta-yin-ch'au.§ There were also ten-cash pieces called ta-yuen-t'ung-pau;|| one of these answered to ten of the chī-ta-t'ung-pau cash. The copper cash of former dynasties circulated with the chī-ta cash in the ordinary commercial transactions of the people. There were also five cash pieces, three cash pieces, and cash of a large size which counted as two ordinary cash. In 1311 Jen Tsung, the fourth Mongol Emperor, said in an edict that the new cash in circulation were not sufficient for the wants of traders. The new and the old issues were mixed and evils resulted from this circumstance. The paper notes representing silver and the various kinds of copper cash ceased to circulate. More than this the two departments above mentioned ceased from any action, and the result was that the chung-tung and chī-yuen paper notes had the field to themselves.

*The Amount of the Issues of Notes in the Yuen Dynasty.*

In 1260 the amount of chung t'ung notes issued was 73,352 ting.

In 1261, 1262, 1263 the amounts were 39,139 ting, 80,000 ting, 46 000 ting.

In 1264, 1265, 1266, the amounts were 89,280 ting, 116,208 ting, 77,252 ting.

In 1267, 1268, 1269 the amounts were 109,488 ting, 29,880 ting, 22,886 ting.

In 1270, 1271, 1272 the amounts were 96,768 ting, 47,000 ting, 86,256 ting.

In 1273, 1274, 1275 the amounts were 110,192 ting, 247,440 ting, 398,194 ting.

\* 寶國院  
§ 至大銀鈔

† 泉貨監  
‡ 大元通寶

‡ 至大通寶

In 1276, 1277, 1279 the amounts were 1,419,665 ting, 1,021,645 ting, 788,320 ting.

In 1280, 1283, 1284 the amounts were 1,135,800 ting, 610,620 ting, 629,904 ting.

In 1287 the amount of chung-t'ung notes was 83,200 ting, and of ch'ī-yuen notes 1,001,017.

In 1288, 1289, 1290, 1291, 1292 the amounts of ch'ī-yuen notes were 921,612 ting, 1,780,993 ting, 500,250 ting, 500,000 ting, 500,000 ting.

In 1293, 1294, 1295 the amounts were 260,000 ting, 193,706 ting, 310,000 ting.

In 1296, 1297, 1298 the amounts were 400,000 ting, 400,000 ting, 299,910 ting.

In 1299, 1300, 1301 the amounts were 900,075 ting, 600,000 ting, 500,000 ting.

In 1302, 1303, 1304 the amounts were 2,000,000 ting, 1,500,000 ting, 500,000 ting.

In 1305, 1306, 1307 the amounts were 500,000 ting, 1,000,000 ting, 1,000,000 ting.

In 1308, 1309 the amounts were 1,000,000 ting, 1,000,000 ting.

In 1310 the amount of ch'ī-ta silver notes was 1,450,368 ting.

In 1311 the amount of ch'ī-yuen notes was 2,150,000 ting, and chung-t'ung notes 150,000 ting.

In 1312 the amount of ch'ī-yuen notes was 2,222,336 ting, and of chung-t'ung notes 100,000 ting.

In 1313 the amount of ch'ī-yuen notes was 2,000,000 ting, and of chung-t'ung notes 200,000 ting.

In 1314 the amount of ch'ī-yuen notes was 2,000,000 ting, and of chung-t'ung notes 100,000 ting.

In 1315 the amount of ch'ī-yuen notes was 1,000,000 ting, and of chung-t'ung notes 100,000 ting.

In 1316 the amount of ch'ī-yuen notes was 400,000 ting, and of chung-t'ung notes 100,000 ting.

In 1317 the amount of chī-yuen notes was 480,000 ting, and of chung-t'ung notes 100,000 ting.

In 1318 chī-yuen notes 400,000; chung-t'ung notes 100,000.

In 1319, 1320 the amount in each year was chī-yuen notes 1,480,000, chung-tung 100,000.

In the year 1321 the amount of Chī-yuen notes was 1,000,000 ting and of Chung-tung notes 50,000 ting.

In 1322 these two kinds of notes amounted to 800,000 and 50,000 ting.

In 1323 the issues of the same kinds of notes amounted to 700,000 and 50,000 ting.

In 1324 the amounts were 600,000 ting and 150,000 ting.

In 1325, 1326, 1327 the amounts in each year were 400,000 and 100,000 ting.

In 1329 the amounts issued were 310,920 ting and 30,500 ting.

In 1330, the last year of which the amount of issues is stated, it was Chī-yuen notes 1,192,000 ting, Chung-t'ung, 40,000 ting.

The reason why the issues are sometimes in round numbers and at other times are fragmentary probably is that when the amounts from the provinces arrived the issues corresponded with the amounts needed. When the provincial accounts had not arrived the expenditure took the form of round numbers.

Collectors obtain notes of the Mongol dynasty from Japan. Notes are found in the possession of Chinese men of wealth. It is a rare thing to see them in shops. There is no fixed price for these curious relics of the 13th and 14th centuries.

#### *Local Products.*

Gold and silver, pearls, jade, copper, iron, quicksilver, cinnabar, green mother of pearl, lead, tin, alum, saltpetre, soda, bamboo, timber. The State possesses these productions



as a gift of nature. But taxes on these treasures may be oppressive. Under the Mongol sovereigns fixed charges were made, but where tax payers were rich the whole amount that might have been demanded was not required, and if tax payers gave too little, compulsion was not used to force them to pay all. There is proof here that the financial administration of the Mongols was controlled by wise statesmen, who knew how to solve financial problems. Such is the view held by the historians who, under the Ming sovereigns, wrote the history of the Mongol period.

Gold was found in Tsing-chow, then called Yi-tu,\* Kai-chow, T'an-chow,† King-chow, near Tai-ming-tu. in Southern Chihli. In Lian-yang, now called Manchuria, it was met with in Ta-ning and Kai-yuen. In Kiangnan it was obtained in Jau-chow, Hwei-chow, Ch'ü-chow, and Sin-chow. In Kiangsi gold was found in Lung-hing and Fu-chow. In Hu-kwang it was met with in Yo-chow, Li-chow, Yuen-chow, Tsing-chow, Ch'en-chow, Tan-chow, Wu-kang, and Pau-king. In Honan it was found in Kiang-ling and Siang-yang. In Si-chwen gold was obtained in Ch'eng-tu and Kia-t'ing. In Yünnan it occurred in Wei-ch'ü, Li-kiang, Ta-li, Kin-ch'ü, Lin-an, Kü-tsing, Yuen-kiang; in the Lolo region, in Hwei-ch'wen, Kien-ch'ang, Yê-ch'ang, Pê-hing, Wu-sa, Tung-ch'wen, and Wu-meng.

Silver was obtained in the province of Peking, in the Ta-tu‡ prefecture, in Chen-ting, Pau-ting, Yün-chow, Pan-yang, Tsin-ning, Hwai-meng, Tsi-nan, and Ning-hai. At that time the north part of Shantung was included in Chihli. In Liang-yang silver was found in Ta-ning. In the Kiang ch'ê province it was met with in Ch'ü-chow, Kien-ning, and Yeng-ping. In Kiangsi it was found in Foochow, Jui-chow, and Shau-chow.

\* 益都

† 壇.

‡ 大都, the name of Peking under the Mongols. For Chihli they used the name 腹裏 Fa-li, central province.

In Hu-kwang it occurred in Hing-kwo and Lin-chow. In Honan silver was found in the Kai-feng-fu prefecture, in An-feng and Ju-ning. In Shensi it was obtained in Shang-chow. In Yunnan it was found in Wei-ch'ü, Ta-li, Kin-ch'ü, Lin-an, and Yuen-kiang.

Pearls were found in the Peking prefecture, in Nanking, in the Lo-lo region, and in E-ta-lo-ta and in the province of Canton.

Jade was obtained from Yü-tien (Kho-ten) and Fei-li-sha.

Copper was met with in Yi-tu (T'sing-chow), in Ta-ning in Manchuria, and in Ta-li and Chengkiang in Yunnan.

Iron was worked in Ho-tung (Shansi), in Shun-tê, in Tan-king, and Tsi-nan. Iron was also obtained in Kiangnan and Chekiang in Jau-chow, Hwei-chow, Ning-kwo, Sin-chow, K'ing-yuen, Tai-chow, Ch'ü-chow, Ch'u-chow, Kien-ning, Hing-hwa, Shan-chow, Wu-chang, and Fu-ts'üen. In Kiangsi iron was worked in Lung-hing, Ki-an, Fu-chow, Yuen-chow, Jui-chow, Kiang-chow, Lin-kiang, and Kwei-yang. In Hu-kwang province copper was found in Yuen-chow, Tan-chow, Heng-chow, Wu-kang, Pau-k'ing, Yang-ts'üen,\* Ch'ang-ning,† and Tau-chow.‡

In Shensi copper was obtained in Hing-yuen. In Yunnan it was worked in Chung-k'ing, Ta-li, Kin-ch'ü, Lin-an, K'ü-tsing, Cheng-kiang, among the Lolo people and in Kien-ch'ang.

Cinnabar and quicksilver were found in Peking, a city in Manchuria. They were found also in Yuen-chow and Tan-chow in the province of Hu-kwang and at Si-chow in Si-chwen.

Green mother of pearl was found at Ho-lin in Yunnan (lead mountain) and in Hwei-ch'wen. Lead and tin occurred in Ch'ien-shan, at Tai-chow, Ch'u-chow, Kien-ning, Yen-p'ing, and Shau-wu, all of them in the province of Kiang-chê. Lead and tin were worked at Shau-chow and Kwei-yang in Kiangsi

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\* 承全.

† 常寧.

‡ 道.

province. In Hu-kwang province lead and tin occurred in T'anchow and in Honan province at Lü-chow. Saltpetre and natron were found in Honan at Tsin ning. Alum was obtained at Ki-chow, Ning-chow, and Kwang-p'ing, all in Chihli.

Gold was first looked for with serious purpose under Kublai in the prefecture of Tsing-chow about 1268. An order was given that Yü-ts'ung-kang and Kau-hing-tsung should employ four thousand people, who were not registered farmers, to dig for gold at Tsi-hia in Teng-chow prefecture. In 1275 two thousand gold washers were appointed under the magistrates of Ts'ing-chow and Lai-chow to dig for gold. Gold washing in Manchuria was under the management of Li-tê-jên at Hu-pê-yü valley in the district of Lung-shan. Each year three ounces of gold were contributed to the revenue. In 1276 gold was washed at Shwang-ch'eng and Ho-chow on the east of the Liao river.

In 1287 a manager of gold mines near Nanking was appointed. He had under him 7,365 families at various points in the province of Kiang-chê, who conducted their operations at seventy localities. No gold was forthcoming at Nanking. The manager and the men in his employ were dismissed. In Anhwei gold washing in the districts of Hwei-chow, Jau-chow, Ch'i-chow, and Sin-chow was under the control of the magistrates of these cities, and they received the government share from the mines. Kiangsi contributed Taels 100 of gold in the year 1286 from the prefecture of Fu-chow. The locality was Siao-ts'au-chow\* in Lo-an-hien. In Hu-kwang gold was worked at Chang-te, Feng-chow, Ch'en-chow, Yuen-chow, and Tsing-chow. Ten thousand families were employed in washing for gold under the treasurer. In Si-chwen, on account of its being too heavy a strain on the people, in 1295 washing for gold was stopped by order. In Yün-nan the annual contribution of gold was in 1,277; in all 195 ingots of 50 taels each.

\*小曹周.

*Silver.*

In 1290 operations to open a profitable silver mine were conducted at Mi-yün, thirty-five miles to the north of Peking. In 1279 attempts were made to obtain silver at Ki-chow on the east of Peking. In 1274 silver was sought at Ta-ming-fu by Wang-ting-pi at Tan-chow.\* At Yün-yang-shan† silver was sought in 1291. In 1292 a manager of silver mines was stationed at Mi-yün. In 1317 a mine manager for silver at Hwei-chow, in Manchuria, was appointed. He had under him thirty-six silver mines. The duty of the manager, T'ü-chü-si,‡ was to look after the smelting of silver ore and convey the legal amount of silver to the revenue office. In Hu-kwang in the year 86 in the Shau-chow province the people were allowed to dig for silver and smelt ore at Ch'ü-kiang-hien.§

They contributed to the revenue 3,000 taels of silver each year. In 1284 in the province of Kiang-che at Kien-ning and Nan-kien silver mines were opened under the superintendence of a manager. In Honan in 1316 Li-yün-chi engaged to contribute to the revenue from silver mines at So-shan district city three silver ingots weighing fifty taels each year. In 1317 Li-kwei engaged to contribute to the revenue thirty-fifty tael ingots each year of silver taken from a mine at Pau-tsü-yai, "leopard cliff," in the district of Ho-kiên, "high hill". He gave to the government at the rate of three parts in ten. This would probably be the usual rate in mining for silver under the Mongol sovereigns. At that time the objections raised by the people on account of Feng-shui did not prevent the action of the government in opening new mines. At present, under the Manchus, no mining is popular, and it needs a special edict to allow it.

\* 檀州 and 奉先.  
‡ 提舉司.

† 聚陽山.  
§ 龍江.

*Pearls.*

In 1295 the people were permitted to let down nets for pearl oysters at Yang-t'sun, twenty miles north of Tientsin, and at Ch'í-ku at the mouth of the Pei-ho. Officers bought them from the people for the use of the court. In 1274 two officers named Mi Ts'ie and An Shan were sent to Manchuria to fish for pearl oysters in the Sungari river, the Ayaleku river, and the Hu-lan-kwo-le river. In Canton pearls were obtained in the sea called Ta-pu-hai.\* Pearl fisheries were also established in three rivers in Tartary—the Ono-ch'ui, the Dar, and the Hu-tuk.

In 1268 villagers from Feng-ké were sent to fish for pearls in these rivers. In waters near the cities Sheng-chow, Yen-chow, and Na-yen-chow. Yen-chow is now called Yen-an-fu in Shen-si; there were pearl fisheries which were ordered to be under the management of Yü-lu-putai. At present pearls are imported from the west and north-west coasts of Australia and from some islands, in the Indian archipelago.

*Jade.*

Jade was found at Fei-ri-sha.† In 1874 there were three men—Mur, Mahamu, and Tê Ali—who said that there were formerly 300 jade stone washers. In times of anarchy they mostly disappeared and only seventy remained. They had not capital to carry on the work, nor were they sufficient in number. They occasionally had assistance from sixty neighbours. Those who helped them were freed from personal service, which otherwise they would have been required to render just as the seventy regular jade washers were exempt from other service. Stations where water could be obtained were established by Kudus, Hor, and Shilabutan for the men who carried jade to Peking and crossed deserts of sand on the way.

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\* 大歩海.

† 費里沙.

### *Copper.*

In 1279 copper was worked at Tsing-chow-fu by a thousand miners who carried on operations at Lin-kow and the hill of the seven precious objects, Tsi-pau-shan. There were copper mines also in Manchuria, and in 1278 a thousand men were appointed to work at Kin-chow, Jui-chow, Ki-shan, and Pa-shan. In Yünnan copper mines were in operation in the prefecture of Ch'eng-kiang. Farmers, without registered land, were in 1285 sent there to work in mines at Sai-yin-shan with bellows and furnace. There were at that place eleven smelting furnaces.

### *Iron.*

In 1236, under the Emperor Ogelai, smelting foundries were established at Tai-yuen, then called Si-king.\* Iron was to be smelted, and 760 men were employed in smelting with the box bellows. The old bellows in China was worked by downward pressure like the foreign bellows. The new style is worked by horizontal drawing in and out. The words used are *shan*, to fan; and *lien*, to purify. In 1237 a thousand bellows were in operation with fanning apparatus at Kian-ch'eng-hien in Shan-si. In 1238 an office to superintend foundries was established in Tai-yuen-fu, but it continued in existence only for two years. In 1276 in the Ping-yang prefecture a manager of iron foundries was appointed. Next year the office was abolished for a time. In 1306 liberty was given to the people to work at foundries, on condition that they paid a royalty to the State. In 1308 a manager in chief for the foundries of Shansi was appointed. He had under him eight centres, where iron was worked.

In 1294, 6,000 foundry men were appointed in Shun-tê prefecture. In 1297 a head manager was set over them. This official did not long continue at his post, for change in the

\* 西京.



mandarinate was common in those times. In 1319 one manager in Shun-tê-fu, Kwang-tê-fu, and Chang-tê-fu was found to be sufficient. He had under his care six foundries. Beside that at Shun-tê there were Tso-ts'un, Feng-yang, Lin-shui, Sha-wo, Ku-chen, and Tan-king. Ogday in 1236 commenced in Peking the management of iron foundries, and in 1261 a head manager was appointed by Kublai. In 1301, under orders from the Emperor Ch'eng Tsung, the foundries were placed all under one head manager, and provincial managers were discharged. He had the foundries of seven localities under his care. In Tsi-nan-fu in 1263 countrymen without land were appointed to work at foundries to the number of 3,000 families.

In 1308 a foundry manager was appointed at Tsi-nan-fu with five foundries under his control. Besides these foundries near the metropolis there were iron works in Kiang-chê, Kiangsi, and Hu-kwang, which all yielded a considerable revenue to the government. Four kinds of iron are mentioned. Cast iron may be brown or blue. There are also tsing-kwa\* (green melon), t'ie, and kien-t'ie.† Each certificate included 200 catties weight of the metal.

#### *Cinnabar and Quicksilver.*

In 1274 an order was given to Menggu and Dashī to take volunteers with them and search for cinnabar and quicksilver at Jas-mow. They were to smelt ore and collect these substances. Every year in Hu-kwang Siao-lui-fa sent to Peking from a locality called Wu-chai, "the five castles," in Yuen-chow, 1,500 taels. His contract said he would supply this amount. From Lo-kwan-chai also there was a contract to remit each year to Peking 2,240 taels of quicksilver. Beside these amounts An-hwa-hien, in the sub-prefecture of Tan-chow, contributed eighty Taels of cinnabar and fifty Taels of quicksilver.

\* 青瓜 Melon of a deep green colour.

† 圓 Kien, in shape like bamboo oblong tablets.

*Green Mother of Pearl.*

In 1273 Umala was ordered to go to Urga and search for green mother of pearl which is found there.\* In 1284 a thousand pieces of green mother of pearl were contributed from Hwei-chwen† in Yünnan province.

*Lead and Tin.*

In 1271 in Hu-kwang the treasurer for Ch'en-chow, Yuen-chow, and Tsing-chow printed paper certificates called si-yin tin certificates: each having the face value of one hundred catties. They corresponded to bank notes for 300 cash value received. Traders bought certificates, went to the tin foundry and there received tin to sell. If any person sold tin without a certificate he received sixty blows with the bamboo. This was the same punishment that was awarded to hawkers of smuggled salt. The tin was confiscated.

*Alum.*

In 1291 Lu P'eng-kü presented to the Emperor alum from ten kilns at Wu-an in T'ei-chow, "magnet city." In a year 3,000 catties of white alum were supplied to the market. In 1281 at T'an-chow Li Tsi-sin, making use of his own capital, established alum kilns at Lieu-yang and Yung-king. He paid as a royalty to government twenty per cent. of the produce of his sales. In the province of Honan in 1287 an official alum factory was established in the Wu-wei superintendency (lu).‡ An alum certificate represented thirty catties, and this was sold for five taels in paper currency.

*Bamboo.*

In Chihli bamboos are treated as a source of revenue at Hwai-meng in Honan. The same is the case at King-chau and Feng-siang in Shensi. At these places there are official

\* The place's name is Ho-lin 和琳, the old Mongol capital.

† 會川.

‡ 路.

bamboo groves. Early in the Yuen dynasty an office for superintending the bamboo groves was instituted. It was called Si-chu-kien.\* Every year officers from the tax department at certain seasons inspected the groves and fixed the prices. The prices were graduated as high, middle, and low and sold accordingly to the public. In 1267 an order was given to the proper department to print 10,000 bamboo certificates to be circulated through the bamboo grove officers at Hwai-meng and other places. For each certificate a charge was made of one mace. Certificates were bought by the public as a license to sell bamboos. In 1285 the bamboo grove inspectorate was abrogated. The people were allowed to sell bamboos and pay a tax to government. In 1286 the Emperor was advised to appoint a bamboo grove manager at Wei-chow † as before. He should have charge of bamboo groves at Tsing-chow Hwai-king, King-chow, Siang-yang, Lo-yang, and some other localities. As official manager he drew out tax schedules, and the people paid duties according to their liability. In 1286 the Emperor ordered the Shensi manager of bamboo groves to send officers to Wei-hwei and Hwai-king in north-eastern Hsienan to arrange the bamboo taxes there. In 1292 the Mongol prime minister Orchô said that at Hwai-meng the cutting down of the bamboos, continued year by year, caused loss in the revenue. There was in consequence no return from this source. It would be better to intermit the levy of taxes. The bamboo should be allowed a few years to grow. The Emperor Kublai gave his assent to this proposition. No records remain of taxes on saltpetre, soda, and timber.

*Yuen Dynasty Taxes on Metals, Alum, and Soda.*

Gold—Chihli and Shantung, 40 ting, 47 liang, 4 tsien or Taels 2,047.3.0; Kiang-chê, Taels 9,015, 1 tsien; Kiang-si and Canton, 2 ting, 40 liang, 5 tsien, or Taels 149.5.0; Hu-kwang,

\* 司竹監. The inspectorate of the official bamboo groves.

† 衛州.

Taels 4,020.1.0; Honan, Taels 38.6.0; Si-chwen, gold in the form of bran,\* Taels 7.2.0; Yünnan, Taels 920.1.9.0.

Silver—Chihli and Shantung, Taels 75.0.0; Kiang-chê, Taels 6,289.2.0; Kiang-si, 462 ting, 34 liang, 5 ts'ien. As this amount to Taels 23,103 5.0 probably the silver of some other province is included; Hu-kwang, Taels 1,809; Yünnan, 735 ting, 34 liang, 3 ts'ien, Taels 36,784.3.0.

Copper tax, Yünnan, 2,380 catties.

Iron tax—Kiang-chê, 245,867 catties.† On this amount the tax was 1,703 ting‡, 14 liang, or Taels 85,164 levied in bank note currency; Kiang-si, 217,450 catties. The tax yielded 176 ting, 24 liang in bank note currency, or Taels 8 824; Hu-kwang, 282,595 catties, Honan, 3,930 catties; Shensi, 10,000 catties; Yünnan, 124,701 catties.

Lead and tin taxes.—An additional tax was levied on lead powder used for painting the face: 887 ting, 9 liang, 5 ts'ien, or Taels 4,435 9 5. Red lead tax—9 ting, 42 liang, 2 ts'ien. This is Taels 492 2.0. Black tin was taxed 24 ting, 10 liang, 2 ts'ien, i.e., Taels 1,210.2.0; Kiang-si, 17 ting, 7 liang, or Taels 857; Hu-kwang was taxed for lead 1,798 catties.

Alum. The tax in Chihli and Shantung yielded 33 ting, 25 liang, 8 ts'ien, that is, Taels 1,675.8.0. In Kiang-chê an extra tax on alum, which is found in abundance on a mountain to the south of Wen-chow prefecture in Chê-kiang, yielded Taels 42.5.0. In Honan an extra tax yielded Taels 120.733 1.0. The saltpetre and soda tax in the Tsin-ning-lu, a part of Shansi, yielded Taels 1,307.4.0.

The bamboo and timber tax in Chihli and Shantung produced Taels 33,815.4.0. The extra timber tax produced Taels 3,675.3.0. The tax on bamboos produced 140 Taels and the extra tax amounted to 1,103 ting, 2 liang, 2 ts'ien, or changing

\* 麝金. Gold in the form of bran.

† It is called Ngé-wai-t'ré iron beyond the amount regularly required.

‡ One ting is 50 liang or about eight pounds sterling.

it to the modern notation, Taels 55,152.20. In Kiang-ché the extra tax on bamboos and timber produced Taels 46,774. In Kiangsu the same tax yielded Taels 29,523.30. In Honan the tribute bamboos amounted to 269,695 in number and the timber plunks to 58,600. The extra tax on bamboos and timber amounted to 1,748 ting, 30 liang, 1 tsien; in modern notation Taels 87,430.10.

### *Salt Tax.*

Of all taxes that on salt is the most productive. Sang Hung-yang in the Han dynasty was a pioneer in adopting this aid to the revenue. No dynasty since the Han dynasty has failed to levy a salt tax. It has proved too profitable to be neglected. The revenue from wine, vinegar, salt, shipping, gold, silver, and iron amounts to 10,000 ting each year. This is in all Taels 500,000 of silver in paper currency. In A.D. 123 the Emperor Ogdai established the salt tax as a regular impost. A certificate represented 400 catties and passed for Taels 10 of silver. The Emperor Kublai in 1261 reduced it to Taels 7 of silver, and in 1276, having annexed the Sang empire the salt of Kiangsu was added to what he had before. He therefore changed the price of a certificate to 9,000 cash in Chung-tung paper currency. Chung-tung was the name the dynasty adopted from 1260 to 1234, when it became Chi-yuen; the paper Chung-tung notes circulated still after Chi-yuen was made the name for the year. In 1289 the price of the salt certificate was made 50,000 cash by imperial order. In 1296 the nominal value was increased to 65,000 cash. During the seven years—1309 to 1315—successive additions were made by edict to the value of the certificate till it became 150,000 cash, that is to say, the market value of certificates during the twenty years—from 1296 to 1315—increased from 65,000 cash to 150,000 cash. To print and circulate false certificates was a crime, for which beheading

was the punishment and the criminal's property was given to the informer as a reward. The punishment for making and selling smuggled salt was exile for two years and seventy stripes. Half the property of the offender was confiscated. Half of the confiscated amount was given to the informer.

Salt in circulation had limits. The prefectures and districts where it could be sold were fixed by law. Any one who transgressed the law of salt areas was liable to one degree less of punishment than that inflicted on salt smugglers. Half of the salt was taken by the government and the remaining half was given to the informer.

There are varieties in the ease and difficulty with which the crystallization of salt is obtained. In some cases the salt forms into crystals by its own action, as in the salt lake at Kiaichow in Shensi. When sea water is boiled to obtain crystals, the tax is levied as in Chihli, Shantung, Kiangsu, Chekiang, and Fukien, where salt is obtained from the sea in fine particles called Mo-yen.\* The third kind is well salt. The wells of Si-chwen are several hundred feet deep. The brine is drawn up and then boiled to obtain the crystals. The process is in Si-chwen more complicated than elsewhere, and the difficulty of procuring salt in a state suitable for ordinary uses is increased. The tax is levied when the crystallization is finished. In the year 1236 the Emperor Ogdai appointed a salt inspector to superintend the salt pans at Taku and places near. They are called Pai-ling-hiang, San-ch'a-ku, and Chi-ku.† Peking was thus supplied with salt boiled on the Taku shore and places near. The inspector advanced money to the salt boilers; they being poor men. A certain amount for each certificate was allowed. In 1265 two salt boiling local centres were established in Pau-ti-hien on the north of Taku. The salt boilers received three Taels in Chung-tung paper currency

\* 煮鹽.

† 白鹵港, 三叉沽, 直沽.



for each certificate. The same was given at T'sing-hien and Ts'ang-chow on the coast south of Taku.

In 1271 it was found that smuggled salt was extensively used in Peking. At present in Peking in 1905 the gate police are very watchful against smuggled salt entering the city. Government salt shops are numerous, and the revenue is secured by the active measures adopted. In 1271 the salt revenue suffered through the prevalent use of the smuggled article. The remedy adopted was to distribute salt so much to each house in every street, so as to suffice for domestic use to all the people in each house. In 1282 the Emperor dismissed the salt managers for Peking, Ho-kien-fu, and Shantung and assigned their duties to the Board of Revenue. Three officers of the fifth rank, Yuen-wai-lang, were appointed; they had seals to confirm their action. They opened a central office in Peking for the sale of salt certificates. Salt merchants bought certificates from them and proceeded to each salt pan to receive salt which they took away to sell. Each year the salt boilers received money which the government advanced to them through the medium of special officers. Each officer went round every quarter to the various salt pans under his control and distributed the money. These officers had the title Yen-shi-si.\* There was one of them appointed to Lu-t'ai, a second to Yue-chi, and a third to San-ch'a-ku. Ku means a market for prices from ku to assign a money value. In 1291 the advance to salt boilers was increased from three Taels, Chung-tung paper currency, to eight Taels. In 1292 there was a famine, and on this account the number of salt certificates was reduced to 100,000 and a salt commissioner for Peking was appointed. In 1297 this new appointment was abrogated. The duties he had to perform were added to those of the Ho kien-fu salt commissioner.

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\* 鹽使司.

*Salt in the Prefecture of Ho-kien.*

A system of taxation was established by order of Ogdai in A.D. 1230 in the Ho-kien prefecture. The number of salt boilers who were under his management was 2,376. A bag weighing 400 catties was represented by one certificate. In the year 1240 a salt commissioner with the title Yen-yün-sī was appointed.\* In 1240 this office was changed to that of T'ī-kū-sī† yen-kiê-so. Under this management the number of certificates was 34,700 bags. In A.D. 1243 a commissioner's office for the salt of Tsang-chow and Tsing-hien was instituted, managing the sale of 90,000 bags. In 1249 the Emperor Ga-yuk or Ting Tsung made the prefectures of Chen-ting and Ho-kien a part of the area administered by the salt commissioner for the salt made in Tsang chow, Ts'ing-chow, and Shen-chow. In 1253 the same Emperor changed the size of bags to 450 catties. In 1260 Kublai appointed a new officer to manage the salt of Tsang-chow, Tsing-hien, and Shen-chow. His yamên had the title Siuen-fu-sī-t'ī-ling-t'sang-tsing-shen-yen-shī-so.‡ He became chief superintendent and manager of the salt of the three cities mentioned. In the year 1263 the salt revenue in silver amounted to 7,065 ting, with rice 33,300 piculs. The silver amounted to Taels 353,250. In 1264 an edict added to the salt revenue an increase of one-third. We may suppose that this indicates a depreciation in the market value of paper currency of one-third within thirty years during the reign of Ogdai, Gayuk, and Manggu. In 1265 Kublai appointed a general salt commissioner for Ho-kien-fu, with the title Tu-chwen-yün-sī, charged with the annual production of 95,000 bags of salt. In 1270 the quantity to be crystallized by boiling was represented by 100,000 certificates. This was in silver equivalent to 10,000 ting or 500,000 Taels. In 1272 the Emperor increased the authority of the manager, and the

\* 鹽運司.

† 提舉鹽榷所.

‡ 鹽運司提領清深鹽使所.

number of salt boilers became 900. The total of salt certificates was made 200,000. In 1281 the salt boilers of Ho-kien were, on account of their industry and poverty, thought deserving of increase in the government advance of money. They were each allowed 3,000 cash in Chung-tung paper currency. The staff of workers was raised to 780. In 1285 the number of certificates became 29,600. In 1286 the Ho-kien salt commissioner was entrusted with the collection of the wine tax in addition to the salt tax. In 1288 the money paid to salt boilers was increased to Chung-tung paper currency 5,000 cash for a bag of salt represented by a certificate.

In 1290 the number of salt boilers was made 470. They prepared 350,000 bags of salt, represented each by a certificate. In 1308 this number became 450,000 certificates. In 1314 the revenue was short of the requirements. On this account a reduction was made of 50,000 certificates, and from this time onward to 1329 the salt made amounted to 400,000 certificates at twenty-two localities.

### *Shantung Salt.*

In A.D. 1230 the government salt of T'sing-chow, then called Yi-tu, was manufactured by 2,170 workers. One Tael of silver advanced to them produced forty catties of salt. In 1234 a salt commissioner was appointed for Shantung, who superintended the payments to the workers. In 1260 the silver equivalent in Chung-tung paper was 2,500 ting, or 125,000 Taels. In 1262 the Shantung treasurer was required to undertake the collection of salt revenue. In 1264 each family was ordered to pay three catties. They were also called to fill the places of fugitive salt boilers. In the year 1263 the revenue amounted to 3,300 ting, or Taels 165,000 in paper currency. In 1265 a salt commissioner was appointed, and the amount of 4,600 ting, 19 Taels or Taels 230,019. This year the Board of Revenue printed a new supply of certificates.

In 1269 the salt made was represented by 71,998 certificates. In 1275 the amount was 147,487 certificates. In 1281 the amount was 165,487 ; the advance paid to each of the boilers was 3,000 cash in Chung-tung paper notes. In 1286 the amount of salt was represented by 271,742 certificates, which was in 1289 reduced to 220,000. In 1306 it was again increased to 250,000. In 1308 it became 300,000 certificates, and the salt was made at nineteen points on the seashore.

### *Shansi Salt.*

The lake at Kiê-chow is 120 *li* in circuit. The manager waits till crystals are formed on the lake shore. He then orders work people to stir the brine with a wooden spoon to hasten the crystallization. This must be done in dry weather. In 1230 Ogdai instituted in Ping-yang-fu a salt revenue collectorate to increase the revenue derived from the lake. Forty catties of salt produced one Tael of silver. In 1233 he sent a thousand country people who had offered to work under the Mongol government to assist in repairing the salt lake defences and buildings. The Emperor Manggu in 1252 sent 1,085 new workmen, who by their work raised the certificates to 15,000 and the revenue became 3,000 ting, or in modern notation, Taels 150,000. In 1261 Kublai appointed a salt lake commissioner and placed the revenue under the control of the Shensi treasurer. The people of Tai-yuen prefecture obtained small salt crystals by boiling, and the revenue was increased by 150 ting, or 4,500 Taels. In 1264 a tax on salt, in small particles, produced 250 ting, or 12,500 Taels. In 1266 it was ordered that the salt tax collection in Shensi and Sî-chwen should be remitted to the Hing-chî-kwo-yung-shî-sî.\* This officer would, in return, give the collectors salt certificates. In 1267 a transport commissioner for Shensi and Sî-chwen was appointed, and in 1269 at Tai-yuen in Shansi a deputy salt

\* 行制國用使司. Hing here means provincial.

commissioner, T'í-kiu-yen-shī-sī,\* was located. He was placed under the superintendence of the Peking office called Chī-kwo-yung-shī-sī,† the office of the chief expenditure secretary. The number of workmen was 980, each of whom, when he had prepared 100 catties of salt, was entitled to receive a half Tael paper note. In a year the salt prepared for sale was represented by 64,000 certificates, stated in the public accounts as 11,520 ting, or Taels 576,000 in Chung-tung currency. In 1286 the treasurer for Shensi was made salt commissioner with the charge of the taxes levied on wine, vinegar, and bamboos. Six years later the number of certificates for circulation in Peking was lessened by 10,000, and they were circulated under the superintendence of the King-chau‡ commissioner. In 1307 the number of certificates was raised to 82,000, and in the next year 20,000 certificates, represented salt obtained by boiling and in other ways. In 1316 heavy rain ruined to a large extent the defences of the salt lake. The quantity of salt prepared for consumption was reduced to the value of 82,000 ting, or 4,100,000 Taels. On this account the Shensi people were supplied with the red salt of Ch'ang-jen. § Those of Honan obtained salt from Ts'ang-chow near Tientsin.

In 1318 the salt revenue from three circuits|| of Honan was remitted on account, it must be supposed, of the Shansi lake salt not being available. In Shensi the responsibility of collecting the salt revenue was divided between the salt commissioner, Yen-yün-shī¶ and the magistrate of each city, whether lu, fu, chow, or hien. They also shared in the duty of opening the canal and river communications wherever there were obstructions needing removal. In 1319 the salt com-

\* 提舉鹽使司.

† 制國用使司. Without 行 the metropolitan officer is meant.

‡ 京兆鹽司. King-chau is an important prefecture in Shensi. The tax remitted in Peking was exacted from Shensi people.

§ 常仁紅鹽

|| 路. Lu. I render this word by circuit.

¶ 鹽運使.

missioner of Shensi received an order to undertake the general management of the lake salt of Kie-chow in Shansi, and he was placed under the control of the central government office in Peking. Later sixty-eight salt collectors, appointed by the Shensi governor, were dismissed. In place of them a Tung-p'an officer, who is subordinate to a subprefect, was appointed. Two seals were cut to be taken care of by divisional salt officers (Fen-si.) At the same time twenty officers, who superintended the process of salt collecting, were also discharged. Two offices for managers were instituted. It was arranged that additional revenue should be secured by preparing salt to the amount of 500 certificates. During this year salt was obtained to the extent of 184,500 certificates. In 1330 the number of paper notes circulated was 395,395 ting, or in modern notation, 19,769,950 Taels.

#### *Salt Revenue in Si-chwen.*

There were in the thirteenth century twelve localities where salt was obtained in Si-chwen and ninety-five wells. The circuits (lu) of Ch'eng tu, Kwei-fu, Chung-ching, Sü-nan, Kia-ting, Shun-ch'ing, Tung-ch'wen, Shan-ch'ing all had salt wells. Early in the Yuen dynasty a salt tax office was instituted, K'ou-chiê-k'ô-shui-so,\* and 5,900 workmen engaged in preparing salt were under the control of this office. A time came when the wells ceased to yield salt on account of accidents to machinery. The officers and people for the most part made use of the Shansi lake salt. In 1265 the Si-chwen inspector of salt wells undertook to restore the salt production of the wells, and the import of lake salt from Shensi was prohibited. In A.D. 1279 the joint inspectorate of tea and salt production was abolished, but restored after a short time. In 1282 salt for the provinces of Shensi and Si-chwen was placed under a single chief manager. In 1285 one officer managed tea and

\* 拘攔課稅所.



salt in Si-chwen, and another at King-chau in Shensi had the control of the salt of that province. The whole amount of salt prepared for use by boiling was represented by 19,451 certificates. There was an extra supply of 5,000 certificates. In 1289 the total was 17,152 certificates. In 1312 the workmen were in distress, and the quantity of salt they were obliged to prepare was reduced to 12,152 certificates instead of 17,152.

### *Salt Revenue in Liau-yang.*

In the Yuen dynasty Manchuria was called Liau-yang. Ogdai in 1237 appointed a tax office in Peking. Each picul of salt was priced at three-fourths of a Tael of silver. To this was added five pints of millet as food for the salt boilers. The government undertook the sale. The salt was sent in carts and distributed to those who had certificates. The salt was all of the large and hard kinds. In Hai-lan circuit 2,000 pieces of cotton cloth were required from buyers of official salt. In Shwai-pin circuit 1,000 pieces were required. In 1267 a salt commissioner was appointed in Kai-yuen circuit. In 1287 in Lan-chow, on the east of Peking, a thousand sheep had been given in exchange for salt. Notes were required to be paid in place of sheep. In 1315 it was ordered that the people who consumed salt should each year pay in paper currency an additional five Taels for each Tael they had been paying previously.

### *Salt in Hwai-an.*

An order was given in 1276 that the salt tax should be levied on the system prevalent in the Sung dynasty. Each certificate represented 300 catties. The price was 8 Taels in Chung-t'ung paper currency. A chief manager was appointed in 1277. The quantity was to be 400 catties to each certificate. In 1279 the amount was 587,623 certificates. This became 800,000 in 1281; was subsequently reduced by 150,000, and in 1293, because the people of Siang-yang in Hupei ceased

to use Shansi salt and purchased that of Yang-chow, the number of certificates was increased. Eight thousand two hundred were added. In 1300 a new system was tried, that of protecting seals. Traders approached the office to have their certificates examined. The officer received the money charged as broker's commission. If the certificate had not been examined and a seal impressed the money for broker's charge was collected at the granary by the granary officer. In 1304 the salt boilers were pinched by poverty; and an officer was sent down to inquire into their circumstances. The result was that 500,000 certificates ceased to be prepared. After this they had still to provide 682,000 certificates. Yet in 1330 the total was 950,075 certificates in Chung-t'ung paper, amounting to 2,850,225 ting. There were twenty-nine localities where salt was prepared. The paper notes advanced to boilers amounted to four Taels and gradually they were raised to ten Taels.

### *Chekiang Salt.*

The name given for the Chekiang salt area is Liang-ch'i.\* In 1277 the amount of salt appointed to be prepared was 92,148 certificates; each containing two bags. Each bag was priced nine Taels. The hwei-ts'i notes of the Sung dynasty system distributing salt in eighteen separate areas were the equivalent of Chung-t'ung paper notes of the face value nine Taels.

In 1281 the number of certificates was raised to 218,562, and in the following year the face value in Chung-t'ung notes was increased by four thousand cash. In 1284 an equalization office was instituted, ch'ang-p'ing-kü,† the object of which was to render the price of salt for the people as nearly as possible uniform. In 1286 the quantity of certificates was raised to 450,000. Three years later this was made

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\* 兩浙.

† 常平局.

350,000. In 1293 an office was established for the sale of salt for salting fish on the sea shore. When fish were caught it was a benefit conferred on the fishermen to supply them with salt. This is still done in the Ningpo prefecture. In 1294 the forty-four localities where salt was boiled, were reduced to thirty-four under official management. In 1299 a salt inspector, yen-yün-sī,\* was appointed to aid in the management of the salt pans. These pans are so named as consisting of an iron pan placed over a furnace. At present a tax is levied on the iron pan, which needs to be renewed each year. The inspection office was called yen-kiau-so.† In 1301 the number of certificates became 400,000, and a few years later a supplementary 50,000 was ordered. In 1319 at Kia-hing and Shau-hing, granary managers were appointed to take the place of the inspection office. Under their direction were thirty-four localities, where the salt pans were in active use. Each of these localities required the presence of an officer to superintend the transport of salt. In a year 500,000 certificates represented the amount produced. In the year 1320 the rule was to pay one-tenth of the tax in silver and nine-tenths in paper notes. Also for one tling of silver paid in taxes forty tling of paper money were paid.

The money given to the salt boilers by the officer was from twenty to twenty-five Taels at each of the eleven salt pans on the Chekiang coast, for the salt represented by one certificate. This refers to the north coast of the Hangchow bay. The salt made on the coast of the Ningpo, Tai-chow, and Wen-chow prefectures was paid for to the boilers at the rate of twenty-five to thirty Taels for each certificate. On this coast there were twenty-three salt pans in operation. The first of these prices was for the salt furnished as *cheng-yen*. The second was for the additional certificates *yü-yen*.

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\* 鹽運司.

† 檢校所.

*Fukien Salt Tax.*

In A.D. 1276 the amount of the salt tax in Fukien, as stated in certificates, was 6,055. In the next year the newly appointed commissioner for levy of tonnage dues on trading vessels was directed to take charge of the salt revenue. The certificates in 1283 amounted to 54,200. In 1287 the amount of salt each year prepared for use was 60,000 certificates. In 1292 the amount was 70,000 certificates. If three catties in a month are consumed by a family and thirty-six catties in a year ten families require about the amount of salt covered by a certificate, and 70,000 certificates would supply 700,000 families or 2,800,000 individuals. In 1306 the number of certificates was increased to 100,000 and in 1308 it became 130,000. During thirty-two years of peace the population increased greatly, if we may judge by the increase in the consumption of salt from 1276, when 6,000 certificates were enough, to 1308, when 130,000 certificates were sold by the salt administration. In the year 1330 the tax amounted to 387,783 ting. The money advanced to salt workmen was increased to 20,000 cash, in paper currency, for boiling, and to 17,000 cash and four-tenths given for the support of those who sunned the brine. There were in all seven localities where salt pan and sunning operations were in activity.

*Canton Salt Revenue.*

In 1276 Canton was captured by the Mongols. The salt tax was, as in the Sung dynasty, placed under the care of a collector, who was called *t'i-kü-si*. In 1279 an officer was placed over the Kiangsi salt, iron, and tea revenue with the title *tu-chwen-yün-si*\* with six salt tax collectors under him. During this year 621 certificates were sold. In 1285 the Kiangsi salt tax was placed under the management of the Canton governor (*Siuen-wei-si*.) In a year the number of certificates was fixed to be 10,825. In 1286 there was a

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\* 都轉運司.

union of two officers. The Canton salt collector and the collector of taxes levied on foreign trade received one title, Kwang-tung-yen-k'ò-shī-pê-t'í-kū-sī.\* In 1290 the total year's sale was 11,725 certificates, and ten years later it was 21,982. In 1307 the sale reached 35,500 certificates. The next year it was increased by 15,000 extra certificates. To account for this we must suppose a rapid rise in population. In 1314 salt to be given to buyers sufficed for 50,500 certificates, and more was added in 1318 to the extent of 50,500 certificates. This large increase in the amount of salt shows how rapidly under the Mongols the population grew when wars were over. In 1318, when this new supply of salt is mentioned, there had been forty-two years of peace. Salt was being busily made at thirteen places on the Canton coast to meet the growing demand. For Western Canton and Kwangsi as soon as the Sung's imperial family had completely ceased to rule, a salt tax collector for the Kwang-hai was appointed. The amount sold was 24,000 certificates. In 1297 a salt tax collector was sent to Kwangsi with the title Kwang-si-shī-kang-yen-k'ò† t'í-kū-sī. In 1306 an additional supply of 1000 certificates was ordered, and two years later a supplementary fifteen thousand was required. In 1315, after forty years of peace, the amount of salt needed had grown to 50,165 certificates.

The historian adds here that the annual total of the salt revenue amounted in 1329 to 2,564,000 certificates. The paper notes collected reached the sum of 7,661,000 ting, or in more modern nomenclature 383,050,000 Taels, counting Taels 50 to a ting. Previous to 1329 no records remain.

#### *Tea Tax.*

Tea was first taxed in the Tang dynasty, A.D. 618 to 905, and more extensively in the reign of Tè Tsung, 780 to 805. Under the Sung rulers the tea tax continued to be levied,

\* 廣東鹽課市舶提舉司.

† 廣西石康鹽課提舉司.

Under the Mongols tea was taxed lightly at first and afterwards more heavily. It came about in the following manner: A treasurer, Pè-keng, recommended that Sī-chwen tea should be sold in the province of King-chau, now the name of a prefecture in Shensi and at Kiung-chang in the same province. It was also stated that the sale of untaxed tea would be treated as a crime and punished in the same way as the sale of untaxed or smuggled salt.

In 1275 an officer to superintend the collection of the tea tax for Western Sī-chwen was appointed. That part of China had fallen to the Mongols before the south-eastern provinces. But they were still successful, and when Kiangsi was conquered the old Hwei-tsī notes of the Sung dynasty were accepted as Mongol notes and allowed to circulate as before. 50,000 cash or fifty kwan as they were called in the current paper notes of the time were made payable at the rate of fifty to one of the Chung-tung notes. The Hwei-tsī had fallen greatly in the market, and the new government bolstered them up as a relief to the people in whose possession they were. The owner of Sung notes of the face value of 50,000 cash could exchange them for Mongol notes of the value of 1,000 cash. We can well imagine that in these circumstances a metallic currency would be victorious over paper notes in the long run. At that time the support of paper currency was not a strong bank but military power, and after eighty-eight more years the Mongols would be driven back to their native wilds. But for the time no one knew that they might not keep the country for three centuries, and therefore the tradesman who held a Sung note for 1,000 cash was willing to exchange it for a Mongol note changeable for 20 cash. A Chinese proverb illustrates this: He who conquers, becomes a prince or duke, sheng-chè-wang-hou, pai-chè-tsê; he who is defeated, is a rebel.\*

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\* 勝者王侯敗者賊。



In 1276 it was arranged that 120 catties of tea should count as a long certificate and a duty of five mace decimals .428 was levied. The short certificate contained ninety catties and the duty levied was four mace decimals .208. In the same year the amount of the tea duty collected was 1,200 ting and a remainder. The history does not state prices. It states the amount of duty only. To test the figures we need the prices which the merchants fixed. Perhaps we may take the price of tea at that time to have been three times the duty. The Chinese text seems to say this. If this view is correct the price of tea was Taels 16,284 for the larger certificate and for the smaller certificate Taels 12,624. The difference would be caused by variation in the distance of the locality where the tea was picked. There may also have been a difference in quality. The ting was 50 Taels.

In 1277 the rate was made one-half of a third.\* The collection amounted to 2,300 ting. In the year 1278 it rose to 6,600 ting. In 1280 in the city of Kiang-chow a general inspector of tea was placed to control the levy of the tea duty in Kiangsu, Hupei, Canton, and Fukien. The larger certificates were no longer sold. Only the smaller were in use. The duty on each certificate was Taels 2.45 in paper notes, coarse tea Taels 2.24 in paper notes. During the next year the fixed amount was made 24,000 ting. In 1281 an official house of sale for tea was appointed in Kiangnan. Buyers bought tea and took it away to sell. At the end of the year there was an increase of 20,000 ting. In 1283 the treasurer said the system was not working well. It bore heavily on the people who made use of tea and paid taxes. The difference in qualities was abandoned and a fixed duty of Taels 3.50 levied on all tea. In 1285 the tea duty was made by the advice of Li Ch'i-nan a fixed sum of 5,000 cash for a certificate. The whole levy on tea this

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\* 取三分之一.

year amounted to 40,000 ting. Soon after the system was extended to Kiangsi, and in 1288, in accordance with the advice of Seng Ko, the chief minister, the duty on each certificate was made 100,000 cash. In 1292 the system according to which the tea duty was collected in Kiangnan was changed. There were sixteen localities, and at each there was a revenue collector, *ti-kü-si*, for tea. Five stations were abrogated. Certificates were not given to any but those who bought them at the official price. Beside the certificate there was a license, *ch'a-yü*,\* to give to hawkers of small quantities of tea. At first each license represented nine catties of tea,\* and one tael duty in paper currency was paid for a license. But afterwards there was a scale of ten particulars from three catties to thirty, and the regulations were the same as for the certificates. The duty on each certificate was one-tenth of a tael in paper currency.

In 1295 it was represented at court that more revenue might be secured from the tea merchants of Kiangnan. By the old system they were taxed when they crossed the river with tea. On the same principles they might be required to pay a double tax when selling on the south of the river. Influenced by this reasoning the court added to the Kiangnan tea revenue 3,000 ting, but this increase would not be required till 1296. The total was 80,300 ting, or in modern currency, Taels 4,015,000.

In 1308 the tea duty of Nan-chang and Jui-chow was given to the Empress Dowager as bathing allowance. The tax, when collected, was received by the Hwei-cheng office † in Peking. In 1311 it was increased to 171,131 ting. In 1313 the Kiangnan tea tax was further increased to 192,866 ting. In 1314 the subordinate officer in Kiangsi who had charge of the tea tax, a Mongol named Buhortan, recommended a reduction in the number of certificates and an increase in the tax.

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\* 茶山.

† 徽政院.

Each certificate paid in all Taels 12,500. The total was 250,000 ting. In 1320 this was increased to 289,211 ting. In 1330 the office of special tax collector was abrogated and his work was done by the city magistrates. The total amount of the tax was the same as in 1314. After this there are no records accessible.

### *Wine Tax.*

Wine and vinegar were taxed from 1231 in the reign of Ogdai in North China. From that time it became an essential part of the revenue throughout the dynasty. The tax offices were distributed according to the needs of the people. The number of families was made the basis of the duty on wine, vinegar and leaven. All persons who made intoxicating liquors without paying the duty were punished. In 1279 the collection of the duty on wine and vinegar was assigned to the salt tax commissioner. In 1285 working farmers were exempt from the duty on vinegar. The duty on wine was made in the provinces as in Peking, ten taels a picul. In April, 1285, the tax on vinegar for residents at the Mongolian summer home of the Emperor was withdrawn. Also the system in use for collecting the wine tax was a copy of that employed in the reign of Ogdai. The wine maker provided capital to support his workmen. The tax collector examined his book of sales. Each picul was only charged five taels in paper notes. In 1291 the wine tax levy ceased to be entrusted to the tea tax collector in Kiangsi, or to the salt tax collector in Fukien. The local magistrate in both provinces became responsible for the wine tax collection. In 1292 comparison showed that in the Hangehow province the wine tax came to 270,000 ting. In Hukwang and Kiangsi the tax only produced 90,000 ting. On account of this disparity one-fifth was subtracted from the Chekiang amount and added to the levy on the Nanking, Kewkiang, and Hukwang provinces. In 1304 there were a

hundred wine brewing factories\* placed under the wine tax collector, but they were reduced to twenty-five. Later on fifty-four breweries were authorized.

### *Collection of Wine Tax.*

In Peking and the neighbourhood, 56,243 ting, 47 taels 1mace; Liau-yang province, 2,250 ting, 11·2 taels; Honan, 7,577 ting, 11·5 taels; Shensi, 11,774 ting, 34·4 taels; Sichwen, 7,590 ting, 20 taels; Kansu, 2,078 ting, 35·9 taels; Yunnan, 201,117 strings; Kiangché, 196,654 ting, 21·3 taels; Kiangsi, 58,640 ting, 10·8 taels; Hukwang, 58,848 ting, 49·8 taels.

The collection in Yunnan was in strings of cowrie shells; elsewhere it was in paper currency.

### *Vinegar Tax.*

In Peking and vicinity 3,576 ting 48·9 taels, Liau-yang 34 ting 26·5 taels, Honan 2,740 ting 36·4 taels, Shensi 1,573 ting 33·2 taels, Sichwen 616 ting 12·8 taels, Kiangché 11,870 ting 19·6 taels, Kiangsi 351 ting 24·5 taels, Hukwang 1,231 ting 27·9 taels.

### *License Tax on Traders.*

Although traders count below farmers and artisans as a class such are the needs of the administration that they are required to contribute their share to the revenue. In 1234 the Emperor Ogdai instituted a trader's license department. Collectors were to be appointed to the number of a thousand. The magistrates were ordered to select suitable collectors who had property and represented firms. Each month the collection was to be transmitted to the care of magistrates. Money lending was forbidden.

In 1263 Kublai was advised by a Mongol Ahamad and a Chinese Wang-kwang-tsu to levy a tax on all persons in Peking in positions of influence who engaged in trade or made

\* 槽房. Tsau-fang.

use of public money to trade with. They must pay the tax at the office appointed for this purpose. Every person who entered the city without showing a certificate was treated as a criminal guilty of smuggling. In 1270 a rate of one in thirty was made the rule. The fixed sum to be collected was made 45,000 ting. If the receipts exceeded this amount it must be entered as extra revenue. In June, 1263, the Emperor took pity on traders going to and from the court residence in Mongolia. They had additional expense and weary plodding. On this account they were exempted from this tax. This locality is called Shang-tu;\* it is near Lamamiau in Mongolia. It is reached from Peking by the Tu-shi-k'eu pass through the Great Wall. It is mentioned in Coleridge's *Kubla Khan* and it was visited by Dr. Stephen Bushell about 1885. Purchase of land and houses was forbidden in the absence of payment of a deed tax. In 1283 an edict ordered each province to appoint two honest and able officers to manage the tax on traders. Money lending was forbidden. Exile for two months and seventy stripes with a bamboo cudgel were threatened to all money lenders. If the tax collectors troubled the people by asking for more than the lawful tax they were liable to the same punishment. If the appointed officers collected revenue beyond the amount legally required they were promoted. If the collection was less than the required sum the collector must pay the difference himself and he was also to be degraded a step in official rank. In each province the trader's license tax collection was to be forwarded every month to the board of revenue. Failure to do this or forwarding an amount less than the sum authorized, was punished with loss of pension. For a second offence the officer suffered the bastinado of 17 blows. The Manchu limit of blows is

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\* A Chinese housekeeper's seven requisites are: fuel, rice, oil, salt, sauce, vinegar, and tea. When he opens his door it is for one of these articles.

twenty-seven; that of the Jews was thirty-nine as stated by St. Paul in II. Cor. xi 24.

During this year the trader's tax at the summer residence of the Emperor Shang Tu was fixed at one-sixtieth of the value of goods examined. The rule at Peking was to levy one-fortieth on the value of the goods examined. In 1285 another tax was levied, known as the Shang-shui-ch'i-pen. It would be levied on the ground of expense in the manufacture of the license certificate. The charge was three mace in Chung-t'ung paper currency. In the same year the license tax for Shang-tu was reduced. It was made three-fourths of one per cent. In 1289 the Mongol prime minister Senggo recommended a great increase in the customs' collection. In Peking and its vicinity the collection amounted to 200,000 ting. Kiangnan sent up 2,500,000 ting. In 1292 a limit of time was fixed, before which the collection of duties on traders' goods must be sent. The money must arrive before the 15th day of the 1st, 4th, 7th, and 10th months. In 1294 it was announced that when there was a surplus in the collection of duties on goods, the fixed amount need not be increased. In 1295 an addition was made to duties collected at Shang-tu. In 1308 it was decided that the duty on license certificates should be three mace of Ch'ien-yuen paper notes. By the year 1330 the total of the customs' collections was a hundred times greater or nearly so than the amount as fixed in the year 1270.

*Fixed Amount of Levy on Traders.*

Peking and vicinity yielded to the chief collector of duties, 103,006 ting, 11·4 taels; Province of Peking, 8,242 ting, 9·7 taels; Shang-tu yielded to the prefect, 1,934 ting, 5 taels; Shang-tu, to the chief collector of duties, 10,525 ting, 5 taels; Hing-ho prefecture, 770 ting, 17·1 taels; Yung-p'ing prefecture, 2,272 ting, 4·5 taels; Pau-ting prefecture, 6,507 ting, 23·5



taels; Kia-ting (now Cheng-ting) prefecture, 17,408 ting, 3·9 taels; Shun-tè and three other prefectures, 23,414 ting; Ho-kien, Hwai-chung, and Wei-hwei, 19,078 ting. Twelve prefectures in Shantung yielded 66,213 ting; four prefectures in Shansi, 43,990; Manchuria, 8,721 ting; Honan, 147,428 ting. Shensi, 45,579 ting, 39·2 taels; Sichwen, 16,676 ting, 4·8 taels; Kansu, 17,361 ting, 36·1 taels; Kiang-chê. 269,027 ting. 30·3 taels; Kiangsi, 62,512 ting, 7·3 taels; Hu-kwang, 68,844 ting, 9·9 taels.

### *Tonnage Dues.*

The levy of dues on goods from foreign countries dates from the Han dynasty. After that time it continued without break through various dynasties till the Sung period, when a collector of tonnage dues\* was stationed at Ningpo and Canton to give facilities to trade with foreign nations. In 1276 all China was in Mongol hands. One-tenth of the value of finer goods was taken. If goods were of a coarse kind one-fifteenth only was taken. When ships left a port it was stated in the collector's books to what port they were going. The goods were examined, a certificate was given them and a day fixed for their return. In this the Sung dynasty system probably was followed. In 1277 a collector of tonnage dues was sent to Amoy. Meng Ku-dai was his name. There was an inspector at Ningpo, at Shanghai, at Kan-p'u on the north shore of the Gulf of Hangchow. The Fukien Governor, Yang Fa-ta, was at the head of this department. Each year traders were called together and sent to foreign parts to buy pearls, precious stones, and fragrant drugs. The next year, on their return, the ship's cargo was examined. They received a permit to leave, and could sell their goods where they pleased. Also when native goods from Amoy and Foochow came to these ports the duty paid was the same as

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\* 市舶司 Shī-pò-sī.

for goods from foreign countries. Wang Nan, the inspector of Customs for Shanghai, said that it would be well to distinguish between single and double dues. This idea was adopted. Double dues were levied on foreign goods and single dues on those of native origin. Before Wang Nan made this suggestion the levy was the same on native as on foreign goods. Wang Nan favoured native industries and wished to make the foreign merchants pay for the liberty of trading.

In 1282 the Emperor accepted his minister Keng's proposal to change bank notes for copper cash to pay foreign goods at ports of foreign trade. The Inspector of Customs paid copper cash for gold, pearls, and other articles brought from abroad. Chinese ships trading abroad were allowed to import foreign goods on payment of duty, and in 1283 rules for the levy of duties were fixed. Meng Su-tai objected that gold and silver were given at the seaports by Chinese merchants in exchange for such goods as fragrant wood. This means sandal wood, red wood or sapan wood, putchuck and the like. An edict was issued forbidding the export of gold and silver. Iron might be exported, but no other metal.

A chief inspector of foreign trade was stationed at Hangchow and another at Amoy. The mandarins applied capital to do business and sent ships abroad to buy and sell. The profits beyond sea were divided between the mandarins and the traders. The traders received three parts in ten and the officers seven.

Influential men could not take their own money, go to foreign parts, and trade. They were punished if they did this and half their property was confiscated. Traders from Chinese ports might go on board official ships to foreign ports to buy and sell, and they were charged duties on leaving and on their return. In 1285 the Fukien Customs' collection was entrusted to the salt tax commissioner. The words he used in proclamation were Tu-chwen-yün-si-ling Fukien Chang

Ts'uen-yen-hwo-shi-pe \* In 1286 there was an edict forbidding traders to export the copper coins of China. In 1288, at Canton, the export of rice to Annam and other countries to sell to foreigners was prohibited. In 1292 the inspector of ships was ordered to examine goods and levy duties. In December of this year the finer class of goods paid one-twenty-fifth part of the value, coarser goods paid one-thirtieth part; otherwise these goods were exempted from duty. Those bought by the inspectors of foreign ships only paid duty at the place of sale and not a second time. Goods that did not pay the duty were confiscated.

In 1293 regulations for duties on shipping, twenty-one in number, were published, containing a variety of prohibitory clauses. There was a Customs' commissioner stationed at each of the following seven ports: Amoy, Shanghai, Kampo'u, Wenchow, Canton, Hangchow, and Ningpo, then called Ching-yuen. At all these ports, after the example of Amoy, in addition to the duty one-thirtieth of the value was also required. Further, the Wenchow Customs' duties were managed by the Ningpo commissioner. Also the Hangchow duties on foreign goods were collected by the ordinary Commissioner of Customs. It was forbidden to export gold, silver, copper, or iron. It was also forbidden to export men or women as slaves to sell in foreign parts. The finance officer in the capital city of the province went to the chief seaport before the arrival of ships from foreign ports on their return voyage so as to be at hand to levy duties in the goods they brought with them. Penalties were inflicted for offences injurious to the revenue. On the arrival of the ship the cargo deck entrance was sealed up. Afterwards duties were in regular succession levied on the cargo.

In 1294 the Emperor Cheng Tsung ordered the Customs' high officers to grant liberty to traders on board vessels from

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\* 都轉運司領福建漳泉鹽貨市舶。

abroad in cases where before they were hindered from freedom of action. In 1295 it was observed that there was much smuggling when goods were landed, and it was ordered that Customs' officers should go out to meet ships at sea before they entered port and commence their examination. In 1296 traders who went abroad were forbidden to convey the more valuable Chinese goods, such as silk and silver, to Penang, Mabar, and Bandalayna to exchange for the produce of those countries. To supply a dearth of money, notes representing 50,000 ting were issued by the government.

In 1297 the Imperial finance manager was dismissed. In 1298 the Shanghai and Kan-p'u collection of duties were both placed under the care of the Ningpo commissioner, known as *ti-kü-sä*, and this officer was subordinate to the Imperial Cabinet, then called chung-shu-sheng. In connection with it an office for expenditure was instituted, Ch'i-yung-yuen.\* In 1302 freedom to go abroad was again granted to traders. In 1308 the Finance or Revenue Board in Peking was re-established with the power to regulate the action of the foreign trade commissioner, but in 1309 this arrangement was cancelled and the foreign trade commissioner was made responsible to the provincial high authorities. This continued till 1310. In 1312 the old name Shi-pê-ti-chü-si,† the collector of duties on shipping, was restored; traders were again forbidden to go on their own account to foreign countries. The officers themselves chartered ships to sail to foreign ports. When these ships returned the finer class of goods paid in duties one-fifth of the value and in the case of coarser goods two-fifteenths.

In 1320 it was held that such valuable Chinese articles as silk and silver should not be carried by traders to foreign countries. Why should these good things be lost to China? The trade was forbidden and the office of collector of foreign

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\* 制用院.

† 市舶提舉司.

duties was abrogated. In 1322 collectors of duties were again appointed at Amoy, Canton and Ningpo respectively. The trade continued, but silk, silver, and certain other articles of value were not allowed to be exported. In 1324 traders could go to foreign countries, but in their return they must pay duties on their goods. In 1324, when ships arrived, it was arranged that the provincial authorities only should collect duties on their cargoes.

In regard to purchase of foreign goods by barter or by silver the law made rules. The system of barter, fixed by official regulation, was called K'ai-chung.\* For example, when there was a famine the officers provided, on one occasion, 200,000 catties of tea and invited traders to bring rice and millet. This was paid for by tea, and the work of famine relief went forward. In 1326 it was ordered that instead of actual gifts offered by traders to the government a fixed sum at so much per cent. on the value of goods imported or exported should be substituted. The Cabinet searched for precedents in the annals of former dynasties and arranged rules suited to the new times. In 1329, on account of waste of revenue resulting from the new system, it was abrogated; gifts of goods instead of a fixed duty were not henceforth permitted. It would be an infraction of the new law and would be punished as such.

***Extra Taxes. Tax on Almanacs, Deeds.***

The additional taxes levied on the people in the Mongol period were of thirty-two kinds. The tax on the calendar brought in 45,980 ting, 32.5 taels. The number of copies was 3,123,185. The number of copies for Chihli and the vicinity was 72,000. Tax, 8,570 ting, 31.1 taels. For the provinces the number of copies was 2,551,175. The tax in the provinces was 37,410 ting, 1.4 taels.

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\* 開中. Enter on operations by barter. Na-ma-chung-yen 納馬中鹽 means receive horses in exchange for salt.



There was a greater almanac, of which there were 2,202,203 copies printed. The tax on these, in paper money, amounted to 44,044 ting, 3 taels. Of a smaller almanac 915,725 copies were printed. On each copy there was a tax of one mace. The tax amounted to 1,831 ting, 32.5 taels. Of the Mahommedan almanac 5,257 copies were printed. The tax on each was one tael, and the total amounted to 105 ting, 7 taels.

A tax on deeds of sale amounted to 303,800 tau. On each tau the tax was 1.5 taels. Chung-t'ung-ch'au, 9,114 ting, represented the tax. In the Chihli region, near Peking, the number of tau was 68,332. The total of Chung-t'ung currency was 2,049 ting, 48 taels. In the provinces the total was 235,468 tau and the total of paper money was 7,064 ting, 2 taels.

There was a tax on river and lake produce which yielded a total of 57,643 ting, 23.4 taels. Vicinity of Peking, 406 ting, 4.62 taels; provinces, 57,236 ting, 27.1 taels.

A tax on hill produce produced a total of 719 ting, 49.1 taels. Vicinity of Peking, 239 ting, 13.4 taels; provinces, 480 ting, 35.6 taels.

Tax on kilns—total, 956 ting, 45.9 taels; Peking and vicinity, 197 ting, 32.4 taels; provinces, 759 ting, 13 taels.

Tax on houses and land—total, 12,553 ting, 48.4 taels. Peking and vicinity, 966 ting, 5.3 taels; provinces, 11,087 ting, 43.1 taels.

A shop tax, called men-t'an, produced a total of 26,899 ting, 19.1 taels. Interior of Hu-kwang, 26,167 ting, 3.4 taels; Kiangsi, 360 ting, 1.5 taels; Honan, 372 ting, 14.1 taels.

A tax on pond and tank produce yielded 1,009 ting, 26.5 taels. Interior of Kiang-chê province, 24 ting, 22.7 taels; Kiangsi, 985 ting, 3.8 taels.

Tax on rushes—total, 686 ting, 33.4 taels. Vicinity of Peking, 142 ting, 5.8 taels; provinces, 545 ting, 27.6 taels.

Tax on slaughtered sheep—total, 1,700 ting, 29.7 taels. Interior of the province of Peking, 438 ting; province of



Shang-tu, 300 ting; province of Hing-ho, 300 ting; province of Ta-t'ung, 393 ting; Yang-shi sheep market, 229 ting, 29·7 taels; yamén for coal and timber, 100 ting.

Tax on reeds—total, 724 ting, 6·9 taels. Honan, 644 ting, 5·8 taels; Kiangsi, 80 ting, 1·8 taels.

Tax on coal and charcoal—total 2,615 ting, 26·4 taels. Inner province of Ta-t'ung, 129 ting, 1·9 taels; yamén for coal and charcoal, 2,496 ting, 24·5 taels.

A landing cargo tax or port tax, chwang-an,\* produced 186 ting, 37·5 taels. Pan-yang prefecture, 160 ting, 24 taels; Ning hai-chow, 26 ting, 13·5 taels; En-chow, 13·8 taels.

Tax on crab apples—total, 75 ting, 26·4 taels. Chen-ting prefecture, 1 ting, 25·8 taels; Kwang-p'ing prefecture, 40 ting, 5·1 taels; Ta-t'ung prefecture, 33 ting, 45·4 taels.

Tax on yeast, Kiang-chê province, 55 ting, 37·4 taels.

Fish tax, Kiang-chê province, 143 ting, 40·4 taels.

Paint tax—total, 112 ting, 26 taels. Inner Szechwen, Kwang-yuen prefecture, 111 ting, 25·8 taels.

Leaven tax—total, 29 ting, 37·8 taels. Yung-ping prefecture, 23 ting, 25·4 taels; Kiangsi, 6 ting, 12·5 taels.

Hill and lake produce, Shan-tsê†—total, 24 ting, 21·1 taels. Inner Chang-tê prefecture, 13 ting, 40 taels; Hwai-ching prefecture, 10 ting, 31·1 taels.

Tax on marsh produce, tang‡—Soochow, 886 ting, 0·7 taels.

Tax on willows, Ho-kien prefecture—402 ting, 14·8 taels.

Produce of license to brokers, acting for country people, Ho-kien prefecture, 208 ting, 33·8 taels.

Tax on milch kine in Chen-ting prefecture, 208 ting, 30 taels.

Ad valorem tax on goods at Hwangchow prefecture, 144 ting, 44·5 taels.

Rush tax at Tsin-ning prefecture, 72 ting.

\* 滩岸

† 山澤

‡ 蕩

Fish spawn tax in Lung-hing prefecture produced 65 ting, 8.5 taels.

A fuel tax in An-feng prefecture yielded 35 ting, 11.7 taels.

Sheep skin tax in Siang-yaug prefecture, 10 ting, 48.8 taels.

Bamboo and reed tax in Feng-yuen prefecture, 3,746 ting, 37.9 taels.

Ginger tax in Hing-yuen prefecture, 162 ting, 27.9 taels.

White drug in Chang-tê prefecture yields 14 ting, 25 taels. This is a drug not yet identified.

#### *Expenditure in the Yuen Dynasty.*

A despotism like that of China allows of a very large expenditure in gifts to princes, princesses and meritorious officers. No previous dynasty had expended so much of public money in this way as was done by the Emperors of the Yuen dynasty. The empresses and queens, beside gold, silver, and bank notes, had lands given them with cities and towns as estates of large extent. Their dependents received honours as if they were officers in the service of princes. They were sent to inspect and report on the actions of city magistrates. They had pensions which were paid them by the city magistrates. The system was gradually elaborated during the reigns of Ogdai, Gayuk, Mangu, and Kublai. When in 1276 South China was added to the Yuen dynasty every household was required to pay five mace to the empresses and princesses. This was by Ch'eng Tsung increased to 2,000 copper cash. This was given in the form of paper money.

The uncle of Genghis Khan received each year: silver, 30 ting; satin, 100 pieces. A silk tax, called the five household silk, was added to his allowances in A.D. 1236; it was collected from 10,000 households in Ning-hai sub-prefecture. In 1336 the family of this prince received 4,532 catties of silk from

4,532 families. It amounted to 1,812 catties. By a grant of the year 1285 the family received 440 ting of bank notes collected from 11,000 householders of Nan-feng-chow.\* The notes were those of Kiangnan. Four brothers of Genghis were each honoured in the same way. All these gifts were annual from the date mentioned. For example, Chu-chi-gor, a brother of Genghis, had 100 ting of silver, 300 pieces of satin each year to the end of the Yuen dynasty. In 1236 he received the taxes of silk and paper money due from 24,493 households in the Pan-yang prefecture in Shantung. This also was annual. In 1319 the grant was made 7,954 households, and the silk received was 3,656 catties. He was granted further in 1276 the paper money taxes of the Sin-chow prefecture, which included four sub-prefectures in south-west Chekiang and east Kiangsi. These four cities had a population of 132,290 families and 662,258 individuals. This prince received the taxes of 30,000 families, comprising 1,200 ting of bank notes. His title was Tsi-chwen† prince.

Another brother of Genghis was honoured with the hereditary title of Tsi-nan prince.‡ His annual revenue was 100 ting of silver, 625 catties of cotton, 5,000 catties of silk, 300 pieces of satin, and 1,000 sheep skins. The taxes in silk of 55,300 families in the country round Tsi-nan were given him in 1236. In 1319 the actual taxes of 21,785 families were secured to him. This realized 9,648 catties of silk each year. In 1281 the taxes in paper money of 65,900 families in Kien-ch'ang and its neighbourhood in Kiangsi were assigned to him. The actual receipts were 2,600 ting.

There are in the history 160 names of princes, empresses, princesses and meritorious Mongols who received gifts. The last of them, named Yakdemur, in 1329 had a grant of ten ting of gold, 50 ting of silver, 10,000 ting of bank notes and 50,000

\* 南豐州

† 淄川王

‡ 濟南王

mow of land in the T'ai-ping prefecture in Anhwei. He was styled T'ai-ping-wang.

Three times the word Polo occurs, but the dates of the gifts do not agree with the time when Marco Polo and his two uncles—Nicolo and Matthew—were in China. All the 160 names appear to be Mongol. The gifts are: gold, silver, silk, and paper money with satin and sheep skins. The silk is bestowed with a local limitation, and it amounts to a gift of the taxes of a region which is named.

This is followed by the salary or pension list in Chapter 96 of the Yuen-shī. The nomenclature differs. Paper money is still mentioned. Salaries are given in strings of cash and are paid from the revenue as in the time of the Kin and Sung dynasties. It was in 1260 that the salary list was for the first time fixed by Kublai. The magistrates were, in addition to their pensions, also supported by official land. The name for pension is *feng-lu*,\* retained in all dynasties from the Chow downwards. The first Mongol Emperors made no laws on this subject. The first to order pensions to be paid to magistrates and officers of all ranks was Kublai. This was in 1260. In the reign Ch'eng Tsung, 1297 to 1308, magistrates also received profits of lands owned by the State. If magistrates had no land they were granted rice or millet. A list of officers entitled to pay was drawn up and approved by the Emperor in 1260. This was limited to ministers and subordinate officers in the palace. In 1261 a second list was approved. It contained officers attached to the six Boards. In November of this year city magistrates had pay assigned to them. In 1269 cities were divided into three classes according to their relative importance. The judges of provinces and officers employed by them had pay allotted in the same year. In the next year the treasurer and his staff were

\* 俸祿 *Feng* is present a list to the Emperor for approval. *Lu* is the written list from *lu* (lok), write or writing, 寫 *sie* and 祿 *lu* are one word, and 鈔 *ch'au*, ticket, note, 抄 *ch'au*, to copy, are varieties of the same word.

added, as also the grain conveyancers and the staff of the Board of Works. In 1280 payments were temporarily suspended for the entire empire. In 1281 the payment, according to the approved list, was again made effective on condition that the officer had conducted his magisterial duties without fault. If he was guilty of conduct unbecoming in an officer he was dismissed. In 1285 the pay list was fully restored and salaries paid in accordance with its provisions. There were three classes—higher, intermediate and lower. In 1286 an increase of fifty per cent. on salaries was ordered. In 1292 all instructors in Confucian colleges were to receive the same salaries as Mongol physicians. In 1299 allowances to officers of the lower class were increased, both in regard to salary and rice. In 1302 the following were added to the official pay list, viz., governors, deputy governors, tea and salt conveyance commissioners, iron foundry managers, gold mine managers, silver appraisement officers. In 1303 allowances of rice were granted to all officers, metropolitan and provincial. Officers whose pay was ten taels and under, received one-tenth of a picul; officers who received in pay above ten taels and under twenty-five taels, received a picul of rice; officers whose pay was above twenty-five taels, received rice in the proportion of one pint to one tael, or one picul to 100 taels. If rice was not to be had as much money was given in place of it as the rice which should have been given cost in the market. The payment for a picul, when the price was high, should not exceed twenty taels. At Shang-tu, Ta-tung, Lung-hing, Kau-sa and the like places, where the climate is too cold for rice or millet, Chung-tung paper notes were given at the rate of twenty-five taels to a picul.

This shows that paper was, after 1300, received by the people at twenty-five per cent. discount on the face value.

If pay was 150 taels or more, no allowance of rice was given. In 1309 an edict said that officers in attendance at

court were to receive Chi-yuen notes instead of Chung-t'ung notes, and the allowance of rice was withdrawn. In 1320 a change was made in the allowances to officers in attendance at court. Three-tenths of their salary was given in rice. Officers on taking up a post were entitled to pay for the same month if the day was no later than the second of the month. Officers who left a post on any day after the fifth of the month received that month's pay. It was distinctly made a punishable fault in any officers in distributing pay to give less to any subordinate officer than he was entitled to receive.

In 1309 the Emperor Wu Tsung allowed to provincial officers who had the use of public farm land 100 piculs of rice to those of the third rank and 60 piculs to those of the fourth rank. Fifty piculs were assigned to men of the fifth rank, forty-five to those of the sixth rank, and forty to those of the seventh rank. At this time the bank notes called Chung-t'ung-chau ceased to be given and Chi-yuen-ch'au were distributed instead of them. Their land went back to the State. In 1311 an edict restored the old system. The public farm land reverted to the officers and their official salaries were given as in former reigns. In 1316 those who had no public farm land received millet or wheat.

In 1285 the yearly official incomes of officers were as under:—

First rank, upper, 6 ting; lower, 5 ting.

Second rank, upper, 4 ting, 25 taels; lower, 4 ting, 15 taels.

Second rank, second division, upper, 4 ting; middle, 3 ting, 35 taels; lower, 3 ting, 25 taels.

Third rank, first division, upper, 3 ting, 25 taels; middle, 3 ting, 15 taels; lower, 3 ting. Second division, upper, 3 ting; middle, 2 ting, 35 taels; lower, 2 ting, 25 taels.

Fourth rank, first division, upper, 2 ting, 25 taels; middle, 2 ting, 15 taels; lower, 2 ting. Second division, upper, 2 ting; middle, 1 ting, 45 taels; lower, 1 ting, 40 taels.



Fifth rank, from 1 ting, 40 taels to 1 ting, 20 taels.

Sixth rank, from 1 ting, 20 taels to 1 ting, 10 taels.

Seventh rank, from 1 ting, 10 taels to 1 ting.

Eighth rank, from 1 ting to 40 taels.

Ninth rank, from 40 taels to 35 taels.

The salaries of officers were as under: chief tutor of the heir apparent, 140 strings of cash and 15 piculs of rice; military secretary, 45 strings and  $4\frac{1}{2}$  piculs of rice. The two historians and two tutors received the same salaries as this last.

The right hand in the Yuen dynasty had precedence over the left hand; the right hand minister of the Chung--hu-sheng department received 140 strings and 15 piculs of rice. The left hand minister received the same. The Chancellor called Ping-chang-cheng-shī\* received 128 strings and 666 parts with 12 piculs of rice. The presidents of the six Boards each received 78 strings and eight piculs of rice. The vice-presidents received 53 strings and one-third, with 5 piculs of rice. The president of the Cabinet received  $129\frac{1}{3}$  strings, with thirteen piculs and a half of rice.

A string of cash was, in the way of speaking usual in the thirteenth and fourteenth centuries, regarded as a tael of silver and was divided into mace or tenths and candareens or hundredths. A mace was one hundred cash and a candareen ten cash; at present (March, 1905) a tael of silver is worth 1,100 cash, a mace 111 cash and a candareen 11 cash. A Mexican dollar is changed for 860 cash.

In the year 1285 the first minister of the Cabinet, shu-mi-yuen, † received 129·333 strings of cash, and 13·5 piculs of rice. The second minister received 106 strings and 11 piculs of rice. The next minister, fu-shu, ‡ received 95·333 strings

\* 平章政事. Chang is law. Ping is equalize. Cheng is government.

† 樞密院. Shu is lunge. Mi is secret.

‡ 副樞. Fu is assistant, stand beside.

and 9.5 piculs of rice. The next office was that of Ts'ien-yuen.\* Subordinate to it were the t'ung-t'sien.†

The highest military officer, or captain of the guard, received 70 strings of cash and 7½ piculs of rice. The second in command of the guard had 59.333 strings and 6 piculs of rice. The lowest military officers, such as centurions, received 16.666 strings.

The next above him in the cross bow brigade, the chiliarch or t'sien-hu,‡ received 26.666 strings. If this class of officers were in charge of soldiers who cultivated farms, their official income was the same.

The Mongol governor of Peking, Daragchi, received 130 strings. The Chinese governor had the same income. The deputy Daragchi received 120 strings, subordinate officers received 80, 55, 50, 40, 30, 25 strings, according to their respective ranks and the nature of their duties.

In the provinces an officer entitled tso-ch'eng-siang,§ received 200 strings. This is 60 strings more than the chief tutor of the heir apparent received. Under him the p'ing-chang-cheng-shī received 166.666 strings. There was a right hand minister and a left hand minister, and their incomes were the same. They were men belonging to the administration, sent specially to the provinces. The chief secretary under them, p'ing-chang-cheng-shī, had as salary 166.666 strings and a second secretary, t'san-chī-cheng-shī,¶ enjoyed an income of 133.333 strings of cash. These were court officers sent as deputies to the provinces when suitable men were available. The governor of a province, siuen-wei-si,\*\* received 580 strings, 3 mace, 3 candareens in Chung-t'ung currency. His associated helper, the t'ung-chī,†† received

\* 僉院. T'sien is sent on a mission.

† 同僉. 同僉. 千戶.

‡ 左丞相 and 右丞相 were the titles then in use.

§ 平章政事.

¶ 參知政事.

†† 同知.

\*\* 宣慰司.

500 strings, and the deputy-governor, fu-shī,\* 416·66 strings. Under the deputy were the king-li, with 400 strings; the tu-shī, with 183·33 strings; and the chau-mo, with 150 strings.

*Grants of Land to Mandarins.*

The posts of many mandarins were made more valuable by grants of public land. In 1266 Kublai gave the order that a Mongol darakchi should have the produce of 1,600 mow. His associated helper enjoyed the use of 800 mow. Their subordinate officers, chī-chung and fu-p'an, received 600 and 500 mow respectively.

In a prefectural city a darakchi was over the Chinese prefect. Each had the use of 1,200 mow. The t'ung-chī and fu-p'an, in the same prefecture, possessed 600 and 400 mow respectively. The cities now called Chow were in the thirteenth century divided into greater, intermediate, and smaller city. There was a darakchi to each enjoying the produce of ten, eight or six hundred mow of public land. The sub-prefect had the same allowance of land, the subordinate officers enjoyed the use of 500, 400, or 300 mow of public land according to their rank. The population of China in the thirteenth century was about one-seventh of what it is in the twentieth century. This accounts for the large amount of public land surrounding each city in the Yuen dynasty.

The judge, an-cha-sī, had the use of 1,600 mow. His assistant had 800 mow. In 1284, when Kiangnan, that richest of the Chinese provinces had come under Kublai's control, he fixed the amount of public land assigned to mandarins at one-half the allowances made to officers in Chihli and Shantung. This was done because of the fertility of the soil in Kiangnan. A prefect enjoyed the use of 800 mow and the lowest allowance to a jailor or a subordinate salt tax officer was 100 mow. The people must have lived in comfort in those days. The fertile

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\* 副使.

soil yielded abundance of rice and wheat. Cotton crops gave them suitable clothing during winter and summer for the poor, and silk yielded those beautiful, lustrous robes which the richer classes prefer to wear.

### *Equalization of Market Prices.*

The poor are often called to suffer by the rise which is apt to occur in the price of rice and wheat. The granary system began in the Han dynasty when Keng Show-ch'ang devised a plan for selling rice to the poor at a low rate. The method was called the chang-p'ing-fa.\* In the Tang dynasty Tai-chow originated the yi-ts'ang† system with the same object, namely, the equalization of prices. When the price of rice rises the magistrate arranges to sell at a low price to the poor. In Kiangsu there are also buildings known as yi-chwang. It belongs to a clan, and is managed by the chief members of the clan. They put money into it, and in times of scarcity poor members of the clan receive from the clan club house, as it may be called, such relief as they need. In the Yuen dynasty, cheap rice granaries were established in villages as well as in cities. In the villages there was an altar to the deities who favour agriculture, and in connection with it there was charitable distribution of money to the poor. In the cities rice was sold at low prices from the granaries. In times of scarcity the poor were relieved, and in plentiful years the tasks of the farmers were not neglected. The plan worked very beneficially. It was in 1269 that Kublai established cheap price granaries. The people brought rice and the mandarin paid them more than the market price in years of plenty, and when rice was dear it was sold to the people at a reduced rate. In the year 1271 storage of grain had been abundant, prices having been low and much was received from granaries on the banks of the Yellow River. In

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\* 常平法.

† 義倉.

1286 the price of iron was kept even on the same principle. When iron was cheap the mandarins gave more for it, and when it was dear, they sold it at a low price from the granaries. The country villages also had their storage buildings. The rich man of the village acted as manager. In plentiful years, if respectable farmers paid half a picul, servants were obliged to pay not more than two-tenths of a picul. Those who had no millet might pay into the granary other products of their land. In unfavourable years the officers distributed rice to the club members in the villages. In 1284 at Sin-ch'eng and Tung-p'ing, through an overflow of the Yellow River, there was a famine. The people were relieved from the low price granaries. In 1313 an edict renewed this charity, but it failed to give sensible relief to the distressed people through grasping conduct on the part of the official distributors.

*Charitable Distribution of Medicine.*

The practice of curing the sick through charitable feeling on the part of the officers is mentioned in the Chow Li, the work which describes the mode of conducting the administration, B. C. 1100 to B. C. 300. Official physicians treated sick persons who were saved from early death by this considerate action of the government. The practice of appointing physicians for this benevolent purpose began in A. D. 1237. Three physicians—Tien, Wang, and Tsi—were set apart. Tien was the Emperor's physician, Wang and Tsi were in the college of medicine. Five hundred ting were allowed for expenses. In the year 1261 Kublai, who had now become Emperor, ordered Wang Yeu to open a dispensary. In 1263 a dispensary was opened at Shang-tu, the Mongolian capital. This dispensary was to be supported by the interest at  $1\frac{1}{2}$  per cent. a month of Chung-t'ung notes, to be placed out at interest.

By mismanagement the capital was lost. In 1288 this misfortune happened, and the dispensary was closed. In 1299

the system of free dispensaries was recommenced in every prefecture. Each dispensary was under the management of the city magistrate. The larger prefectures had two physicians. The smaller prefectures and cities had but one. The quantity of bank notes assigned to each was proportioned to the population. The following is a statement of the amount of bank notes assigned to each province: Chihli, 2,780 ting; Honan, 270 ting; Hu-kwang, 1,150 ting; Liao-yang, 240 ting; Szechwen, 240 ting; Shensi, 240 ting; Kiangsi, 300 ting; Kiang-chê, 2,615 ting; Yunnan, 11,500 strings of cowrie shells; Kansu, 100 ting.

*Buying when Prices are Low.*

The Ho-ti method commenced in the Tang dynasty. The object was to provide rice for the troops on the frontier. It led to much suffering on the part of the people. In the time of the Mongol domination bank notes were given for grain and salt certificates for hay and straw. The price was raised when grain and hay were sold. The soldiers were supplied with rice, and in Peking the horses had sufficient hay and straw.

In order to carry out this plan Kublai in 1261 bought 300,000 piculs of various sorts of grain for 1,200 ting of Chung-t'ung notes in Shang-tu, Pei-king and Kai-feng-fu. In 1262 he bought grain for the Shensi troops with 15,000 salt certificates. He bought when grain was moderate in price. The officers were told that they must not use their endeavours to hinder the people from bringing rice and hay to the granaries. In the fifth year orders were given to buy grain at Pei-king, Kai-feng and smaller cities. In 1266 at Nanking and the neighbouring cities to purchase 400,000 piculs of grain. In 1267 there was an order that at Mien-chow in Hupé grain should be purchased at a moderate price and payment made by instalments. In 1270 an increase of ten per cent. in the price of grain was



authorized. At this rate the people supplied 394,660 piculs of various sorts of grain to the official granaries. In 1279 the offer was made of 50,000 certificates of Hwai-an salt to those who would bring any of the various sorts of edible grain. In 1287 the people were allowed to exchange amounts of grain for salt certificates. In January, 1288, salt certificates issued at Yungchow and Hangchow, to the number of 500,000, were used in purchasing rice and wheat. In 1290 in purchasing rice and wheat at the western capital one tael of silver in paper currency was added to every ten taels in payment to the sellers. In 1316, 230,000 piculs of grain were purchased at Ho-lin. At that time all Siberia and Russia were under Mongol government. The land which produced this grain has since become a part of Russia. In 1318 and 1319 the grain collected in the vicinity of Ho-lin also amounted each year to more than 200,000 piculs sent as tribute to Peking.

In 1304 the system of exchange of salt for animals' provender was arranged in the following manner. The magistrates of the salt producing area south of Tientsin in June gave salt certificates to the people. In the autumn the people paid for them in hay and straw required for the horses in the capital. One bundle of hay, weighing ten catties, was bartered for two catties of salt. The Mongol horses needed in a year 8,000,000 bundles, corresponding to 40,000 certificates, representing two catties each.

#### *Famine Relief.*

Under the Mongols there was a form of relief which consisted in exemption from the personal service tax. This form of relief bore the name chu-mien.\* The name for this form of relief in the Chow-li, the pre-Christian book of legislation, is po-cheng.† The other kind of relief was called chen-t'ai.‡ Rice and millet were given to the distressed poor.

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\* 蠲免.

† 薄征. Light taxation.

‡ 賑貸.

This form of imperial charity was in the Chow-li called sun-li.\* The motive of the chu-mien charity might be special favour or calamitous events, such as drought and flood. The motive of chen-t'ai was the distress of widowers, widows, orphans, and men or women living quite alone. The motive might also be the occurrence of floods and drought, epidemics of sickness or the superabundance of population in Peking. Each year in the twelfth and thirteenth centuries there was under the Mongols a free distribution of rice and millet. Those who gave millet to a certain amount received official rank.

### *Drought and Flood.*

In order to show the variety of modes in which the wants of the people were gratified by Mongol Emperors the following examples of famine relief have been collected by the Chinese historians:—

In A. D. 1260 Kublai diminished the amount of the tax called sī-liau and that called pau-yin. In 1261 the tax known as ch'ai-fa was remitted in various large cities, including Ta-t'ung, then called the west capital; Yen-king, the modern Peking, and in Peking, northern capital, the name then given to Yi-chow, a city in the north-west corner of the peninsula of Corea. In 1262 a rebellion, headed by Li T'an in the Tsi-nan prefecture, caused distress among the people. On this account the ch'ai-fa tax was remitted. In 1263 there was a rebellion, headed by Hwan-t'a-ko Alodar in the Si-liang prefecture in West China. The people left their homes, and the ch'ai-shin or personal service tax, was remitted during three years. In 1264 three-tenths of the pau-yin tribute of silver was remitted. If the taxpayers had no property seven-tenths of the tribute was remitted. In the same year, by edict, fugitive farmers on returning to their lands were relieved from the personal service tax during three years. In 1265 three-

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\* 散利. Distribution of benefits.

tenths of the pau-yin tax was taken off in Chung-tu (the present Peking). In 1275 the three forms of tax known as pau-yin, si-sien and feng-ch'au were all withdrawn, apparently in Peking. In September in the Honan prefecture two-thirds of the pau-yin tax was remitted and half of it in other prefectures adjacent. In 1282 the house tax was withdrawn and the pau-yin and feng-ch'au tax were ordered to be remitted in 1283 as well as the personal service tax which in case of farmers who had emigrated, would be collected, from the responsible officer in the same locality.

In 1283 the si-sien and feng-ch'au taxes were remitted in Peking, Chang-king and Lan-chow. In 1285 the pau-yin tax was ordered to be remitted during three years, the feng-ch'au charge was abolished, and the people of Peking were relieved of land tax. In 1287 the people of Liao-yang, the old city which then called eastern capital, were relieved of the si-sien, pau-yin and feng-ch'au taxes. In October Yi-chow, in the north-west of Corea, was relieved of the supply of 500 horses. In 1288 Liao-yang and Wu-p'ing, Yi-chow in Korea, were relieved of the personal service tax called ch'ai-fa. In 1290 half the si-sien tax was discounted from the amounts, that should have been collected in the Ho-kien, Pau-ting, and P'ing-lan\* prefectures, and in the Peking prefecture known as Ta-tu, it was abolished entirely. In 1291 ten prefectures were relieved of the si-sien tax. They were Ta-tu, Shang-tu, Tai-yuen, Ta-t'ung, Siuen-hwa, Ho-kien, Pau-ting, Liao-yang, P'ing-lan and Wu-p'ing. In 1292 the pau-yin and feng-ch'au taxes were abolished in five prefectures. They were Shang-tu, Pau-ting, Siuen-hwa, P'ing-lan, and Ho-kien. In 1293 the personal service tax was remitted in Peking.

In 1294 Ch'eng Tsung ascended the throne on the death of Kublai and remitted the personal service tax through the empire. In July the grain tax in the provinces near the

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\* Chang-p'ing-chow and Lan-chow.

metropolis was remitted for six classes, i. e., on the people near guard stations or post roads, on workmen, on carpenters, the makers of ships and boats, on salt boilers and workers in iron. In Kiangnan, by order, only half the summer grain tax was collected. In 1295 the people of the prefecture of Peking were relieved of the three taxes—*sī-sien*, *pau-yin*, and *shui-liang*. When the style of the year was changed the collection of the silk tax of one catty from each householder was discontinued in Shang-tu, in Peking, and in Lung-hing during three years. Lung-hing is Siuen-hwa-fu and includes Kalgan. In 1299 the people of the province of Chihli, Honan, Shansi, and Shantung were relieved of the *pau-yin* and the *feng-ch'au* taxes. In Kiangnan three-tenths of the summer grain tax were taken off. In A.D. 1300 Peking, Shang-tu, and Siuen-hwa-fu were declared for the next year free from the silk tax—the *pau-yin* and the *shui-liang* taxes. In Kiangnan one-tenth was taken from the land tax. In 1307 similar indulgence was shown to the people of the same provinces. Absentee holders of land on their return were, during three years, exempt from the silk tribute of a catty for each house.

In 1308 the Emperor Wu Tsung mounted the throne. The prefectures adjoining Peking were freed from the personal service tax. In 1309 the coronation\* took place. The personal service tax was remitted for the provinces near Peking and the Kiang-hwai provinces. The autumn grain tax was remitted at Peking, Shang-tu, and Chung-tu. This last seems to be the name of Yen-king.† At the same time the silk impost and that of silver was also remitted in the case of persons who should pay these taxes and had not paid them. In 1311 the *pau-yin* tax was remitted in the metropolitan provinces and three-tenths of the summer land tax in Kiang-

\* 上尊號. Offering to the Emperor, the chief title of honour.

† Yen-king lay on the south west of the modern Peking. The Mongols built a new city on the north-east, embracing a larger area than the present city of Peking.

nan. In the same year the ch'ai-fa tax was remitted in Ta-tu, Shang-tu, and Chung-tu during three years.

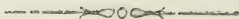
In 1314, on occasion of the appointment of a new name to the year Yen-yen,\* the ch'ai-fa tax was remitted in Shang-tu and Ta-tu (Peking). In 1315 the same privilege was granted to the rest of the empire during one year wherever there had been drought or floods and a need for famine relief. Fugitive farmers on their return to their lands were relieved of the ch'ai-fa tax for three years. In 1315, through all the superintendencies, silk and other taxes were remitted. In 1320 the silk tax was remitted to the extent of one-half in Chihli, Shan-si, Shantung, and Honan. In provinces farther from the capital three-tenths were discounted from the full amount due. There was a diminution of the tax on silk in the more distant prefectures, and this was equivalent to the reduction allowed in the summer grain tax in Kiangsu and Hwai-an. The ch'ai-fa tax had been too much for poor persons to pay. The amount still owed was wiped out altogether. In A. D. 1324 pity was shown to the soldiers and people in the vicinity of post-house stations† on the roads by reducing their taxation liability. In A. D. 1323 the boat tax was remitted in the Lin-ts'ing prefecture in Shantung during three years. The government required boats for use on the Grand Canal. In place of boats a tax was imposed. The tax on the boat population, known as the egg boat class in Fukien, was remitted for one year. At present in the Canton river the tan-kia population is much spoken of by visitors. In 1326 the silver tax was remitted in the south portions of the Kiang-hwai province. In 1329 the personal service tax and the silk tax in all the provinces, and the salt tax in the Hai-pê region, were remitted during three years. Hai-pê was the name of that part of Kwangsi which is north of the Hai-

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\* 延祐.

† 站戶. Householders in the neighbourhood of stations on public roads.

nan island. In 1330 the poorer class of inhabitants near the Dalda post-houses, and in all the prefectures throughout the empire, were relieved of the personal service tax (chai-shui), with differences as the conditions appeared to demand. In November an edict released all persons who owed taxes to the government. Also the feng-yuen tax on traders, the tax on salt boilers and other miscellaneous taxes were withdrawn. In 1330 the name of the year was changed.





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